



CAFII Board of Directors Meeting

Tuesday, October 8, 2013

**Location: St. Andrew's Club & Conference Centre, Sun Life Financial Tower
150 King Street West, 27th Floor, Garden Two Room**

Toronto, ON

2:00 – 4:20 pm

Conference call dial-in information: 416.764.8662 or 1.888.884.4534

participant pass code: 771017#, moderator pass code: 7661560

Revised Agenda

Item	Presenter	Action
1. Call to Order and Welcome	M. Cummings	
2. Review of CAFII Competition Guidelines	M. Cummings	Review
3. Approval of Agenda 3.1 Appointment of New Director	M. Cummings	Approval Approval
4. Minutes 4.1. Adoption of June 11, 2013 Board Meeting Minutes	M. Cummings	Approval
5. Financial Update: 5.1. Financial Statements as at August 31, 2013 5.2. New Treasurer - Nominees 5.3. Cheque Signing Authority Policy - Proposed Revisions	M. Fabian J. Hines B. Wycks	Approval Approval Approval
6. Policy Issues and Decision Items 6.1. Avalon Actuarial 2013 Study 6.2. CAFII Project Next Steps 6.3. New CAFII Logo and Visual Identity Modernization 6.4. CAFII External Communications Strategy	S. Manson/E. Brown S. Manson/J. Poolman S. Gelgor /J. Lewsen B. Wycks	Update Approval Approval Approval
7. Regulatory Update 7.1. CCIR Review of Third Party Administrators 7.2. FSCO's Consultation "Modernizing Disciplinary Hearings for Insurance Agents and Adjusters" 7.3. FSCO's "Life Insurance Product Suitability Review" 7.4. Regulatory Visits 7.4.1. Regulatory Visit Plan 7.5. Regulatory Newsletter	J. Lewsen/B. Wycks B. Wycks S. Manson/B. Wycks B. Wycks B. Wycks	Update Update Update Update Update Update
8. Committee Reports Addressing CAFII Priorities 8.1. Distribution and Market Conduct Policy Committee 8.2. Licensing Efficiency Issues Committee 8.2.1. Saskatchewan Representation for Restricted Licensees 8.2.2. New Brunswick's "Opportunities for Reforming the Licensing Framework for Other-than-Life Agents and Brokers" 8.3. Media and Advocacy Strategy Committee 8.4. Networking and Event Hosting Committee 8.4.1. October 8/13 Speaker and Reception 8.4.2. 2014 Speaker Suggestions	S. Manson M. Gill S. Gelgor/J. Lewsen P. Yeung/M. Sanchez-Chung P. Yeung P. Yeung	Update Update Update Update Update Update Update Update
9. Other Business		

Next Board Meeting: Wednesday, December 4, 2013 hosted by BMO Insurance in Toronto, Ontario

COMPETITION LAW POLICY FOR CAFII'S BY-LAW NO. 2007 - 1

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SECTION TWELVE	COMPETITION LAW POLICY	1
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12.02	Guidelines for Competition Compliance	2
12.03	Consequences for Failure to Comply with Policy	1
12.04	Annual Review of Guidelines	1

ADD DEFINITION OF "COMPETITION ACT" TO SECTION 1.01:

"Competition Act" means the *Competition Act*, R.S.C. 1985, c. C-34, as amended;

ADD SECTION TO BODY OF BY-LAW:

SECTION TWELVE

COMPETITION LAW POLICY

12.01 Competition Law Policy Statement

It is the Corporation's policy that it, and all of its members, fully comply with the Competition Act in respect of any activity undertaken for or on behalf of the Corporation. Responsibility for such compliance rests with the board and with each member.

12.02 Guidelines for Competition Act Compliance

At each meeting of the members of the Corporation, each member shall be furnished with a document setting out the Corporation's guidelines for Competition Act compliance (the **"Guidelines"**). Each attending member shall acknowledge receipt of the Guidelines in writing and agree to adhere to the Guidelines in respect of any activity undertaken for or on behalf of the Corporation.

12.03 Consequences for Failure to Comply with Policy and Guidelines

Failure by a member to comply with this policy or the Guidelines is grounds for removal of that member from the register of the Corporation in accordance with section 9.06.

12.04 Annual Review of Guidelines

The Guidelines shall be reviewed annually by the Corporation in consultation with its legal counsel and shall be amended from time to time, as necessary or considered desirable by the board.

/MM

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

GUIDELINES FOR *COMPETITION ACT* COMPLIANCE

Trade association meetings present a risk of interactions among competitors that in and of themselves may contravene, or may lead to a contravention of, Canada's competition laws. Depending on the circumstances, an inference may be drawn by the Competition Bureau of an improper agreement among competitors resulting from such interactions. In addition to rules of general application to all industries, there are also specific provisions in the *Competition Act* (the "**Act**") dealing with agreements or arrangements between federal financial institutions.¹

Consequently, the Canadian Association of Financial Institutions in Insurance ("**CAFII**"), and its members, should be cognizant of the importance of compliance with the Act and committed to such compliance. In fulfilling the mandate of CAFII, and working towards the achievement of its objectives, members of CAFII are expected to adhere to the guidelines that follow and CAFII's competition law policy to promote and respect the spirit and the letter of the law.

1. **Prohibited Activities**²

(a) **Anti-competitive Agreements or Understandings**

Neither CAFII nor any committee or activity of CAFII shall be used for the purpose of bringing about or attempting to bring about any agreement, written or oral, formal or informal, express or implied, among competitors regarding:

- (i) the amount or kind of prices, premiums, service charges, interest rates, or other terms or conditions of any products or services to be offered for sale by insurance companies;
- (ii) the amount or kinds of products or services to be offered to customers or classes of customers;
- (iii) the customers or classes of customers to whom any insurance company product or service may be sold or withheld; or
- (iv) the territories in which an insurance company product or service may be sold.

¹ For the purposes of the relevant provisions of the Act, "federal financial institution" means a bank or authorized foreign bank within the meaning of section 2 of the *Bank Act*, a company to which the *Trust and Loan Companies Act* applies or a company or society to which the *Insurance Companies Act* applies.

² The activities captured by these guidelines include any activities undertaken for or on behalf of CAFII, including but not limited to, CAFII meetings, formal or informal CAFII-sponsored events, and advocacy and lobbying initiatives.

(b) Sharing Information Posing Anti-competitive Risk

No CAFII activity, including any activity undertaken by a CAFII committee or group, shall involve discussion, exchange, collection or dissemination among competitors, for any purpose or in any fashion, information on those matters identified in subparagraphs (i) to (iv) in paragraph (a) above.

Where projects involve the collection of individual firm statistical data, such collection shall involve only aggregate data from past transactions and shall include effective steps to protect against disclosure of individual product-pricing or interest-payment information.

(c) Exchange of Cost Information – Anti-competitive Purposes

No CAFII activity shall include any discussion of costs or any exchange of cost information for the purpose or with the probable effect of:

- (i) increasing, maintaining, or stabilizing prices, premiums, service charges, interest rates, or other terms or conditions of insurance company products or services;
- (ii) reducing competition with respect to the range or quality of products or services offered by insurance companies; or
- (iii) promoting agreement among insurance companies with respect to their selection of products or services for purchase, their choice of suppliers, or the prices they will pay for such products or services, including commissions for the services of commissioned agents.

(d) Published Papers

Papers published by or on behalf of CAFII or presented in connection with CAFII programs should not discuss or refer to the amount or kind of prices, premiums, service charges, interest rates, or other financial terms or conditions of insurance products or services offered for sale by insurance companies. Additionally, reference to costs in such papers should not be accompanied by any suggestion, express or implied, that prices, premiums, interest rates, service charges or other terms or conditions of insurance company products or services should be raised, adjusted, or maintained in order to reflect such costs. To ensure compliance, authors of conference papers shall be informed of CAFII's Guidelines for Competition Act Compliance and CAFII's competition law policy and the need to comply with these rules in the preparation and presentation of their papers.

(e) No Attempt at Product Standardization

Neither CAFII nor any CAFII committee or group shall make any effort to bring about the standardization of any insurance product or service for the purpose or with the effect of preventing the development or sale of any product or service not conforming to a specified standard.

(f) **Independent Dealings with Suppliers**

No CAFII activity or communication shall include any agreement, or any discussion which might be construed as an agreement, to collectively refrain from purchasing any products or services from any supplier.

(g) **No Exclusion from CAFII Activities**

No person shall be arbitrarily or unreasonably excluded from participation in any CAFII committee or activity where such exclusion may impair such person's ability, or the ability of his or her employer, to compete effectively in the insurance industry or as a supplier to the insurance industry.

2. **Permissible Activities**

The Act expressly permits certain activities among competitors and, as a result, within trade associations. These permitted activities include:

- the exchange of statistics;
- the defining of service or product standards;
- the exchange of credit information;
- the definition of industry terminology;
- co-operation in research and development; and
- agreements on environmental protection measures.

However, the usefulness of these exemptions is **very limited**. These activities become illegal if the result is that competition is unduly decreased, or if entry into an industry or expansion of a business within that industry is unduly restricted. For example, although "the exchange of statistics" is permitted, that does not mean that any and all forms and kinds of statistics and numbers, such as price lists or market-share data, may be exchanged among trade association members. Likewise, the defining of service or product standards may become criminal conduct if there is an agreement that CAFII members will restrict the range of services or products they offer to certain specified customers, or they agree to standards in terms of quality, range or quantity of products or services they offer with the aim of eliminating low price competitors.

3. **Efforts to Influence Governmental Action**

In general, one has a right to meet and to make joint presentations with respect to governmental activities of common interest. However, this right should not be used jointly by competitors for an anti-competitive purpose such as, for example, the lobbying for a legislative or regulatory change having the objective of impeding entry of new competitors, increasing insurance premiums, or restricting insurance services to certain classes of customers or geographic regions. Caution should be exercised where a particular lobbying initiative pertains to subject-matter that has competitive overtones or may be perceived as a concerted effort to lessen or prevent competition. In such cases, legal advice should be sought before proceeding with the initiative.

CAFII Board Meeting Minutes
Tuesday, June 11, 2013
Action Items from the Meeting

Agenda Item	Action Item	Responsible	Deadline
6.3. Request to Commission Avalon Actuarial to Update Study “A Comparison Of Creditor’s Group Mortgage, Life & Disability and Equivalent Individual Insurance”	DMC to provide a more specific time line for this initiative at the next board meeting on October 8, 2013.	DMC	September 30, 2013
7.3. May 30, 2013 CAFII Webinar for CCIR	L. Duigu to circulate <i>Digital & Social Media: Insurance Trends, Practices and Implications</i> presentation and evaluation results to EOC Members.	L. Duigu	June 21, 2013
7.6. Regulator Visit Plan	EOC to look at ISI industry issue in more detail with a view to differentiating and buffering CAFII member companies from other ISI players; and developing strategies to address this issue.	EOC	July to September, 2013; and ongoing
7.6. Regulator Visit Plan	CAFII should include policy-makers in our target audiences and the tactical communications strategy should be expanded to address this.	MAC	July 2013

CAFII Board of Directors Meeting
Tuesday, June 11, 2013
Location: CIBC
Commerce Court, 199 Bay Street, 56th Floor
Toronto, ON

Draft Minutes

Present:	Mark Cummings Dave Minor Rick Lancaster Isaac Sananes Linda Fiset Yvonne Ziomecki Richard Hebert Rino D'Onofrio	ScotiaLife Financial <i>Chair</i> TD Insurance CIBC Insurance Canadian Premier Life Insurance Co. Desjardins Financial Security Life Assurance AMEX Bank of Canada National Bank Insurance Co. (teleconference) RBC Insurance
Regrets:	Julia Barker-Merz Robert Zanussi	BMO Insurance Assurant Solutions
EOC Present:	Andre Duval Maria Sanchez-Chung Charles Blaquiere Paul Yeung Greg Grant Sue Manson Jennifer Hines Sara Gelgor Rose Beckford John Lewsen Matthew Fabian	Desjardins Financial Security Life Assurance TD Insurance Canadian Premier Life Insurance Co. RBC CIBC Insurance CIBC Insurance RBC Insurance <i>Secretary</i> ScotiaLife Financial ScotiaLife Financial BMO Insurance BMO Insurance <i>Treasurer</i>
EOC Regrets:	Emily Brown Wayne Eccles Moira Gill	BMO Insurance TD Insurance TD Insurance
Also Present:	Brendan Wycks Leya Duigu	CAFII <i>Executive Director</i> T•O Corporate Services <i>Recording Secretary</i>

1. Welcome and Call to Order

The meeting was called to order at 2:05 p.m. M. Cummings acted as Chair, J. Hines acted as Secretary, and L. Duigu acted as Recording Secretary.

2. Review of CAFII Competition Guidelines

M. Cummings reminded members that the Competition Guidelines provided in the package were adopted at the April 3, 2008 Board of Directors meeting. The practice of reviewing the guidelines was adopted at the start of the meetings to ensure that the CAFII Board's deliberations conform to its principles, which were briefly summarized.

3. Approval of Agenda

It was agreed that the meeting agenda be amended to include an item under Other Business related to "AMEX Bank of Canada Board Member Resignation."

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The agenda be approved as amended.

4. Minutes

4.1. Adoption of April 10, 2013 Board Meeting Minutes

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The minutes of the meeting of the Board held on April 10, 2013 be adopted in the form presented, and that a copy of these minutes be signed and placed in the Minute Book of the Corporation.

5. Financial Update

Adoption of April 2013 Financials

M. Fabian, Treasurer, reported on the financial statements for the four month period ending April 30, 2013.

The Association's bank balance is positive due to receiving the 2013 membership fees. Liabilities are normal and unrestricted net assets remain at \$220,000. The investment page is slightly out-dated as the GIC matured in May and the full maturity amount has since been reinvested based on discussion with the EOC. This will be reflected in the May financial statements.

The Statement of Operations shows that we are on track and the only significant expenses that have come through pertain to CAFII's 15th Anniversary Celebration in Toronto. Membership fees show some outstanding invoices; however, M. Fabian confirmed that the only outstanding fees at this time are from Oliver Wyman Consulting and a follow-up reminder will be issued to that Associate Member.

6. Decision Items

6.1. Appointment of Board Vice-Chair

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

Rino D’Onofrio be appointed Vice-Chair of the Association for a one year term expiring at the time of the Annual General Meeting in 2014.

6.2. EOC Recommendation Re CAFII Project Next Steps

S. Manson reminded the Board of its discussion on this topic at the previous meeting, following which the EOC was tasked with conducting further research into the matter, with a view to presenting a recommendation on the CAFII project at this meeting. Board discussion ensued.

6.3. Request to Commission Avalon Actuarial to Update Study “A Comparison of Creditor’s Group Life & Disability Insurance and Equivalent Individual Insurance”

S. Manson summarized for the Board the Distribution and Market Conduct Committee’s proposal that CAFII engage Avalon Actuarial to update this independent research study, which was last carried out for CAFII in 2009-10 using 2008 data. An addition to the prior study would be a trend analysis which wasn’t an option previously.

It was observed and agreed that this project required a considerable amount of work the last time from member companies; and it would be ideal to have as much lead time as possible. The budget for this initiative will straddle the Association’s 2013 and 2014 fiscal years. The EOC will have an opportunity to review and request enhancements to the study’s results report and any presentation of the findings, before they are released in Spring 2014.

Action: DMC to provide a more specific timeline at the next Board meeting for the execution of this initiative.

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

CAFII allocate resources to commission Avalon Actuarial to update the study “A Comparison of Creditor’s Group Mortgage Life & Disability Insurance and Equivalent Individual Insurance” with a maximum budget of \$42,000.

7. Regulatory Update

7.1. Regulatory Newsletter

B. Wycks presented the regulator newsletter that was circulated in early May 2013. Many of the updates will be raised under subsequent agenda items and discussed then. A separate newsletter was created for regulators that is a more condensed version of the members newsletter.

7.2. CCIR E-Commerce Position Paper

The CCIR E-Commerce Position Paper was released on May 23, following which CAFII, with the assistance of PwC, presented a timely webinar on *Digital & Social Media: Insurance Trends, Practices and Implications* to the CCIR and regulatory community audience.

B. Wycks has completed an analysis of the position paper, including CAFII's position on various issues, and he provided the Board with highlights of that analysis. EOC members have received a copy of his analysis for review and discussion at their next meeting.

7.3. May 30, 2013 CAFII Webinar for CCIR

CAFII presented a webinar to CCIR Members across the country on *Digital & Social Media: Insurance Trends, Practices and Implications*, with guest presenters from PwC. A copy of the presentation was provided to Board members in today's meeting package. J. Hines reported that the presentation highlighted that consumers are the driving force behind social media and ecommerce, and industry (ie. insurance companies) need to catch up.

Action: L. Duigu to circulate the *Digital & Social Media: Insurance Trends, Practices and Implications* presentation and evaluation results to EOC Members.

7.4. Report on Regulator Meetings

7.4.1. May 7, 2013 Meeting with J. Abram and R. Gilbertson, Alberta Insurance Council

Members discussed various items that have been coming up from Alberta recently, including commission disclosure and the potential for the Insurance Council to seek an expansion of its mandate.

7.4.2. May 15, 2013 Meeting with G. Matier, Insurance Council of BC

This matter was treated as a consent item. As Board members did not raise any questions about it, the matter was not discussed.

7.4.3. June 7, 2013 Meeting with AMF Staff Executives In Quebec City

A written summary of this meeting was included in the meeting package; and B. Wycks provided a brief verbal summary for the Board. One of the AMF's strategic priorities, he noted, is fostering consumer financial literacy through social media projects and communications initiatives.

7.5. CCIR Invitation to Phone Pre-Consultation Re "Review of Third Party Administrators" Initiative

The EOC is treating this as an important priority and when CCIR's Agencies Regulation Committee arranges the pre-consultation teleconference, the CAFII delegation will include members who are well versed in this issue and prepared with key messages.

7.6. Regulator Visits Plan

The Regulator Visits Plan was included in the meeting materials for review.

R. D'Onofrio shared some commentary on a regulator meeting he recently had with C. Rogers (BC) and P. Howell (ON). Those regulators raised concerns regarding how creditor insurance is being sold in particular channels (ie. payday loan companies and car dealers). It is felt that the industry (CAFII Members included) isn't doing enough to self-regulate; and should regulations be created to address these concerns, they won't differentiate between company types.

Action: EOC to look into "self-regulation of Incidental Sellers of Insurance (ISI)" in more detail with a view to differentiating and buffering CAFII member companies from other ISI players; and developing strategies to address this issue.

During the same meeting, R. D'Onofrio asked C. Rogers and P. Howell how effective CAFII's voice is as an industry Association. The response was that CAFII's voice and messaging are heard quite well by regulators such as themselves; however, policy-makers tend to receive more information and input from brokers, who are thereby able to have more influence at the policy level.

Action Item: CAFII should include policy-makers in its target audiences and the tactical communications strategy should be expanded to address this.

8. Committee Reports on Addressing CAFII Priorities

8.1. Distribution & Market Conduct Committee

S. Manson provided an update based on the CAFII Priorities document included in the meeting materials. The committee was asked to review the International Association of Insurance Supervisors' (IAIS) Core Principles on Treating the Customer Fairly, with a focus on principles 18 and 19. Through cross-referencing these principles with CAFII member practices, the committee will seek to identify best practices and potential conflicts of interest. The result should be a Best Practices advisory document, which can also be used for future regulatory submissions.

The Distribution and Market Conduct Committee has a very active, multi-issue work plan at this time.

8.2. Licensing Efficiency Issues Committee

8.2.1. Restricted Licensee Representation on Saskatchewan Insurance Council

The Restricted Licensee Representation initiative is progressing well. A number of conversations have occurred with R. Fullan, Executive Director of the Saskatchewan Insurance Councils, and the objective will be for CAFII to take the lead on the initiative while continuing to collaborate with CLHIA on it. The committee is meeting next week to review the latest proposal developed in consultation with legal counsel.

8.2.2. Manitoba Draft Regulation on Incidental Sales of Insurance

S. Gelgor reported that the Licensing Efficiency Issues Committee would be meeting next week to review the draft regulations from Manitoba in advance of the July 2 deadline for stakeholder submissions.

8.3. Media & Advocacy Strategy Committee

B. Wycks provided an update on the Media and Advocacy Strategy Committee's progress on initiatives.

8.3.1. CAFII Logo Redesign & Rebranding Initiative

The committee has reviewed a number of logo iterations. Members recently determined that including a pictorial element in the logo was problematic. As a result, they have asked the designer to provide an updated typography-only logo, which has now been received and is currently being reviewed by the committee's co-chairs for guidance.

8.3.2. CAFII Communications Strategy

B. Wycks will be focusing on developing a proposed CAFII Communications Strategy over the summer period. He will add policy-makers to the list of stakeholders, as discussed earlier in the meeting.

M. Cummings feels this is an important strategy that will provide us with real life examples. J. Hines added that the communications strategy has been discussed on a few occasions and what it is evident is that there are varying comfort levels among members with different communication approaches to different channels. The strategy will be to clearly define different target audiences and the specific messages and tactics targeted at each, to facilitate Board approval and allow us to move forward with the strategy.

8.3.3. Industry Issues and Trends E-Newsletter

B. Wycks has disseminated the first issue of an Industry Issues and Trends e-newsletter and would welcome feedback from Board and EOC members on it.

8.4. Networking & Event Hosting Committee

8.4.1. CAFII 15th Anniversary.

P. Yeung reported on the results of CAFII's 15th Anniversary Celebration, thanking B. Wycks, L. Duigu and members of the EOC for their help with the event. The feedback has been very positive from both members and regulators, regarding the networking opportunities and CAFII swag given to all attendees. The event also came in significantly under budget at ~\$15,000 versus the \$30,000 budget, with RBC paying for a small portion of the reception as per the agreement when hosting.

8.4.2. June 11, 2013 Regulator Reception Event.

It was noted that 60 people had confirmed their attendance for this evening's Reception event, to hear guest speaker Doug McPhie from Ernst & Young present on his firm's "2013 Canadian Life Insurance Outlook."

9. Other Business

M. Cummings reported that Y. Ziomecki, Board Member from AMEX Bank of Canada, has accepted another position within her company and will therefore be leaving the CAFII Board of Directors. Y. Ziomecki was thanked for her work on the Board of Directors. A replacement from AMEX will be appointed at the next meeting of the Board on October 8, 2013.

10. Termination

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The meeting be terminated at 4:30 p.m.; and that the next meeting of the Board be held on Tuesday, October 8, 2013 in Toronto.

CAFI

55 St Clair Ave West, Suite 255

Toronto, ON M4V 2Y7

Balance Sheet

As at August 31, 2013

ASSETS	Current 2013
Current Assets	
Bank Balance	\$273,659
Investments ^A	\$52,852
Accounts Receivable	\$63,550
Interest Receivable	\$167
Prepaid Expenses	\$2,129
Computer/Office Equipment	\$2,334
Accumulated Depreciation -Comp/Equip	(\$350)
Intangible Assets-Trademarks	\$0
Accumulated Amortization-Trademark	\$0
Total Current Assets	\$394,341
TOTAL ASSETS	\$394,341
LIABILITIES	
Current Liabilities	
Account Payable ^B	\$2,884
Deferred Revenue	\$135,100
Total Current liabilities	\$137,984
TOTAL LIABILITIES	\$137,984
UNRESTRICTED NET ASSETS	
Unrestricted Net Assets, beginning of year	\$179,424
Excess of revenue over expenses	\$76,933
Total Unrestricted Net Assets	\$256,357
Total Unrestricted Net Assets	\$256,357
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$394,341

Minimum Reserve = Greater of:

Reserve at 25% of Annual Operating Expense =	\$ 61,383
Reserve at 6 months of Operating Expense =	\$ 121,759

2013 Reserve (based on 6 month Reserve):

C A F I I
55 St Clair Ave West, Suite 255
Toronto, ON, M4V 2Y7
Balance Sheet Items
As at August 31, 2013

Item A

Investment Portfolio

Investment Type	Issue Date	Principal	Rate	Deemed Interest	Maturity Date
Cashable GIC #0087-8019718-12	May-07-13	\$52,852.40	1.00%	\$528.52	May-07-14
Total		\$52,852.40		\$528.52	

Item B

Accounts Payable

	81.53
	2,802.40
Total outstanding	<u>2883.93</u>
	145.01

CAFII

55 St Clair Ave West, Suite 255
Toronto, ON M4V 2Y7

Statement of Operations As at August 31, 2013

REVENUE	Current Month	Current YTD	Budget 2013	% Used	YTD 2012 Balance	% Used YTD 2012
Membership Fees	\$33,775	\$270,200	\$410,100	66%	\$273,400	71%
Interest Revenue	\$45	\$430	\$750	57%	\$456	456%
TOTAL REVENUE	\$33,820	\$270,630	\$410,850	66%	\$273,856	71%
EXPENSE						
Association Operating Expenses						
Management Fees	\$17,879	\$146,309	209,150	70%	\$47,078	68%
Lawrie Savage Fees	\$0	\$0	-		\$117,434	70%
CAFII Legal Fees/Corporate Governance	\$0	\$0	10,500	0%	\$0	0%
Audit Fees	\$0	\$1,617	13,250	12%	\$347	4%
Insurance	\$237	\$1,892	5,368	35%	\$1,840	43%
Website (incl translation)	\$0	\$333	540	62%	\$2,245	416%
Telephone/Fax/Internet	\$335	\$2,184	750	291%	\$389	18%
Postage/Courier	\$6	\$173	500	35%	\$216	20%
Office Expenses	\$16	\$1,738	4,500	39%	\$554	21%
Bank Charges	\$0	\$70	-	0%	\$38	1%
Miscellaneous Expenses	\$0	\$0	-	0%	\$0	0%
Amortization Expense	\$0	\$0	-	0%	\$0	0%
Depreciation Computer/Office Equipm ¹	\$39	\$311	640	0%	\$0	0%
CCIR Research for Sup.model support	\$0	\$0			\$111	
Sub Total Association Operating Expenses	\$18,511	\$154,628			\$170,252	
Distribution & Market Conduct Committee						
Provincial Regulatory Review	\$125	\$2,861	35,000	8%	\$4,305	8%
Research/Studies	\$0	\$4,996	42,000	12%	\$5,085	12%
Sub Total Distribution & Market Conduct Committee	\$125	\$7,857			\$9,390	
Licensing Efficiency Issues Committee						
Regulatory Model (s)	\$212	\$244	12,000	2%	\$0	0%
Federal Financial Reform	\$0	\$0	-		\$0	0%
Sub Total Licensing Efficiency Issues Committee	\$212	\$244			\$0	
Media & Advocacy Strategy Committee						
Tactical Communications Strategy	\$0	\$72	25,000	0%	\$1,911	8%
Association Branding	\$2,802	\$2,802	7,000	40%	\$0	0%
Sub Total Media & Advocacy Strategy Committee	\$2,802	\$2,874			\$1,911	
Networking & Events Committee						
Board/EOC/AGM Expense ²	\$622	\$12,528	10,000	125%	\$11,261	54%
Networking Events	\$0	\$0	3,500	0%	\$0	0%
15th Anniversary Event	\$10,005	\$15,566	30,000	52%	\$0	0%
Sub Total Networking & Events Committee	\$10,627	\$28,095			\$11,261	
Media Relations, CAFII Consultant						
Media Relations, CAFII Consultant	\$0	\$0	-		\$8,170	68%
Sub Total Media Relations, CAFII Consultant	\$0	\$0			\$8,170	
TOTAL EXPENSE	\$32,276	\$193,697	409,698	47%	\$200,984	45%
EXCESS OF REVENUE OVER EXPENSES	\$1,544	\$76,933	\$1,152		\$72,872.37	

Explanatory Notes:

- (1) Amortization of office equipment based on 4 year straight line depreciation
(2) Board meetings and receptions, special Board or EOC lunch meetings, speaker expenses

CAFII

Toronto, ON M4V 2Y7

Membership Fees

As At August 31, 2013

	<u>Jan-13</u>		<u>Jul-13</u>	
	<u>Billed</u>	<u>Received</u>	<u>Billed</u>	<u>Received</u>
TD Insurance	\$23,500.00	8-Mar-13	\$23,500.00	23-Aug-13
Assurant Solutions	\$11,750.00	22-Feb-13	\$11,750.00	23-Aug-13
BMO Insurance	\$23,500.00	31-May-13	\$23,500.00	19-Jul-13
Canadian Premier Life Insurance Company	\$11,750.00	1-Mar-13	\$11,750.00	23-Aug-13
CIBC Insurance	\$23,500.00	8-Mar-13	\$23,500.00	30-Aug-13
National Bank Insurance Company	\$11,750.00	8-Mar-13	\$11,750.00	16-Sep-13
RBC Insurance	\$23,500.00	7-Mar-13	\$23,500.00	29-Sep-13
ScotiaLife Financial	\$23,500.00	12-Apr-13	\$23,500.00	23-Aug-13
Desjardins Financial Security Life Assurance Company	\$11,750.00	8-Mar-13	\$11,750.00	20-Sep-13
AMEX Bank of Canada	\$11,750.00	15-Mar-13	\$11,750.00	29-Sep-13
Avalon Actuarial	\$4,800.00	26-Apr-13		
CSI Brokers Inc.	\$4,800.00	28-Mar-13		
Dion, Durrell & Associates Inc.	\$4,800.00	15-Mar-13		
KPMG	\$4,800.00	12-Apr-13		
Laurentian Bank of Canada	\$4,800.00	15-Mar-13		
Oliver, Wyman Consulting Limited	\$4,800.00			
Optima Communications	\$4,800.00	12-Apr-13		
RGA Life Reinsurance Company of Canada	\$4,800.00	1-Mar-13		
Swiss Reinsurance Company Ltd	\$4,800.00	Will not be renewing 2013 membership		
Munich Re	\$4,800.00	8-Mar-13		
Aimia	\$4,800.00	15-Mar-13		
The Canada Life Assurance Company	\$4,800.00	1-Mar-13		
January Invoices	\$233,850		\$176,250	
July Invoices	\$176,250			
Total Membership Fees	\$410,100			



Agenda Item 5.2(a)

October 8, 2013 Board Meeting

From: Brendan Wycks [<mailto:brendan.wycks@cafii.com>]

Sent: September-11-13 3:36 PM

To: 'David Minor'; 'Isaac Sananes'; 'Julie Barker-Merz'; 'Linda Fiset'; 'Mark Cummings'; 'Richard Hebert'; 'Rick Lancaster'; 'Rino D'Onofrio'; 'Robert Zanussi'; 'sara.gelgor@scotiabank.com'; 'André L. Duval'; 'Blaquiere, Charles'; 'Emily Brown'; 'Fabian, Matthew'; 'Greg Grant'; 'Hines, Jennifer'; 'John.Poolman@assurant.com'; 'Lewsen, John'; 'Maria Sanchez-Chung'; 'moira.gill@td.com'; 'paul.yeung@rbc.com'; 'Rose Beckford'; 'Sue Manson'; 'Wayne Eccles'; 'Leya Duigu'; eleanore.fang@td.com; 'vivianne.gauci@aexp.com'

Subject: CAFII Treasurer Transition; and Call For Nominees for Successor Treasurer

CAFII Board and EOC Members:

The purpose of this communiqué is

- to advise you that EOC Member Matt Fabian will be stepping down as Treasurer of the Association imminently. Matt has informed EOC Chair Jennifer Hines of the need to relinquish his CAFII Treasurer role, due to a change in the focus of his role and responsibilities at BMO; and
- to issue a **Call For Nominees**, so that we can have a successor Treasurer appointed at the October 8 Board meeting and complete the transition process expeditiously. The 2014 budget development process is coming up shortly, beginning in mid-October.

On behalf of all members of the Association, as well as Leya and her colleagues at TO Corp. and myself, I extend thanks and appreciation to Matt Fabian for the fine job he has done, over a number of years, in the important financial stewardship and volunteer leadership role of Treasurer.

CAFII's Bylaw is terse with respect to the role of Treasurer, stating only that the Board may appoint one and the following:

7.07 Treasurer

The Treasurer shall have general supervision of the financial affairs of the Corporation, shall have custody of the financial books of the Corporation, shall report on the financial statements of the Corporation at each meeting of the Board, and shall have such other duties as may from time to time be assigned to him or her by the Board.

Therefore, there are no particular restrictions on whom may be appointed to the position of Treasurer.

At this time, each Voting Member is encouraged to give serious consideration to the pressing matter of Treasurer succession, with a view to possibly identifying and nominating a Treasurer candidate from within your organization. A Candidate Profile for the position of Treasurer is attached.

Candidate nominations should be sent – preferably by Friday, September 20 – to Jennifer Hines (jennifer.hines@rbc.com), with a c.c. to me (brendan.wycks@cafii.com). Please provide a capsule biography of the candidate when advising of his/her nomination.

Given that

- RBC Insurance currently has appointees in the roles of Vice-Chair of the Board and EOC Chair; and
- BMO Insurance has had an appointee in the role of Treasurer for the past several years,

it is unlikely that a new Treasurer nominee will be brought forward by either of those two member FIs. Therefore, **Treasurer nominees from the other eight Voting Members are particularly encouraged.**

Brendan Wycks, BA, MBA, CAE

Executive Director

Canadian Association of Financial Institutions in Insurance

Candidate Profile: CAFII Treasurer

The following are desired skills, attributes, experience, and related qualifications for the position of CAFII Treasurer:

- strong numeracy and financial literacy skills
- familiarity with accounting. Able to read, understand, and interpret financial statements
- strong monitoring orientation and attention-to-detail
- good presentation skills, especially for reporting to the EOC and Board on Year-to-Date financial results versus Budget; and on the Association's financial reserves
- available to attend most EOC and Board meetings to provide financial reports. Occasional attendance by teleconference in lieu of in-person would be acceptable, as would occasional attendance for only the financials-relevant portion of a meeting
- experience in development of annual operating budgets; familiarity with budgeting for an Association or similar non-profit organization is an asset
- available to work intensively during the mid-October through early December period each year on development of the subsequent year's operating budget
- some experience/familiarity with the annual audit process for non-profit organizations, and in working with external auditors
- reasonable level of availability and flexibility to be a signatory on CAFII cheques, in keeping with the Association's Cheque Signing Authority Policy
- a collegial nature, as must be able to work co-operatively with other members; the Executive Director; the Administrative Co-ordinator, Controller, and President at TO Corp.; external auditors; and other suppliers and stakeholders in the overall stewardship of the Association's financial affairs



*Agenda Item 5.3
October 8, 2013 Board Meeting*

Proposed Revised Cheque Signing Authority Policy

1. All Canadian Association of Financial Institutions (CAFII) cheques in amounts of greater than \$2,500 must be signed by any two of the Treasurer, Executive Operations Committee (EOC) Chair, or Executive Director.
2. All CAFII cheques in amounts of less than \$2,500 must be signed by any two of (a) the Treasurer, EOC Chair, or Executive Director; and (b) the Controller of TO Corp., or the President of TO Corp. At least one of the two signatories for cheques in amounts of less than \$2,500 must be one of the Officers of the Association listed in (a) above.
3. A designated signing authority, as noted above, may not be a signatory to a CAFII cheque that is payable to himself/herself nor to a cheque that is payable to his/her company or organization.
4. At least quarterly, the Treasurer -- or in his/her absence, the EOC Chair -- shall review and sign-off on all cheque stubs and their backup invoices/documentation, as a post-issuance internal audit and control measure.

CAFII New Logo Design and Visual Identity Package

For Board Review and Approval

Background: CAFII released an RFP seeking the services of a graphic designer/design firm to review and modernize or remake the Association's logo and its overall visual identity, which will include creation of a graphics design kit to extend the range of application of the visual identity and ensure a consistent look and feel.

The first stage in the redesign process was to develop a new CAFII logo. Under the direction of the Media & Advocacy Committee and Executive Operations Committee, a new logo has been designed and is being presented to the CAFII Board of Directors for approval.

In order to illustrate how the logo will be used in specific applications, letterhead, envelope and business card applications are also being presented for approval.

1. CAFII ACIFA – full logo set

This 7pg document contains different versions of the CAFII logo, all of which will be provided to the Association upon approval of the full set.

Committee Recommendation: One logo shall be identified as the primary logo to be used in almost all instances. That logo shall be the bilingual version displayed on page 1, with the Association's full name.

Additional versions of the logo will be kept on file for use in special circumstances, including (but not limited to): printing on merchandise such as pens (long version required ie. pg 2-3), coasters or mugs (compact version ie. pg 4-5), printing on solid backgrounds ("reversed" lettering in white, ie. pg 7).

ACTION REQUIRED: Board approval of logo design and full logo set.

2. Letterhead

MAC members are recommending the attached letterhead, in which the header features the CAFII / ACIFA logo and contact information and the footer features the Association's tag line in English and French.

ACTION REQUIRED: Board approval of the recommended letterhead application.

3. Envelope

MAC members recommend that the #10 envelope include the CAFII / ACIFA primary logo and contact information.

ACTION REQUIRED: Board approval of the recommended #10 envelope application.

4. Business Cards

The business card application recommended by the MAC displays a solid bar containing the relevant contact information for the individual. Given that CAFII is a national Association with a commitment to capability in both official languages, the business card displays English content on one side and French on the other. The business card is one example in which the primary logo will not be used. Instead, the English and French logos will be used on either side to help users readily distinguish the English from the French side.

ACTION REQUIRED: Board approval of the recommended business card application.

- Primary, Bilingual Logo, Colour -
Filename: CAFII ACIFA logo - full bilingual - COLOUR



CAFII ACIFA - full logo set

Aitchison
/eɪ/tʃi/sən/

- English Horizontal Logo, Colour -
Filename: CAFII logo - English 1 - COLOUR



CAFII ACIFA - full logo set

Aitchison
/eɪ/tʃi/sən/

- French Horizontal Logo, Colour -
Filename: CAFII logo - French 1 - COLOUR



CAFII ACIFA - full logo set

Aitchison
/eɪ/tʃi/sən/

- English Vertical Logo, Colour -
Filename: CAFII logo - English 2 - COLOUR

The logo for CAFII (The Canadian Association of Financial Institutions in Insurance) features the word "cafii" in a bold, lowercase, sans-serif font. The letters are a dark teal color. The 'c' and 'a' are connected, and the 'f' is slightly taller than the 'i's.

The Canadian Association of
Financial Institutions in Insurance

CAFII ACIFA - full logo set

Aitchison
/eɪ/tʃi/sən/

- French Vertical Logo, Colour -
Filename: CAFII logo - French 2 - COLOUR



- Primary Bilingual Logo, Black & White -
Filename: CAFII ACIFA logo - full bilingual - BW



CAFII ACIFA - full logo set

Aitchison
/eɪ/tʃi/sən/

- Primary Logo, Reversed -
Filename: CAFII ACIFA logo - full bilingual - REVERSE



CAFII ACIFA - full logo set

Aitchison
/eɪ/tʃi/sən/



255-55 St. Clair Ave W.
Toronto, ON M4V 2Y7



The Canadian Association of
Financial Institutions in Insurance

BRENDAN WYCKS, BA, MBA, CAE
Executive Director

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L'association canadienne des
institutions financières en assurance

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CAFII

2014 External Communications Strategy

October 2013



Executive Summary

Overall Communications Strategy

- Support achievement of CAFII's strategic objectives by communicating and effectively engaging with key external audiences
- Demonstrate the value of the insurance solutions and channels offered by CAFII members by creating greater awareness and understanding
- Gain control of the "communications agenda" and change perceptions among key audiences

2014 External Communications Objectives

- Build on CAFII's current proactive communications strategy with regulators, while broadening audience focus and resource allocation to include policy-makers
- Ensure all audiences are well-informed about both the benefits of Creditor Insurance and alternate distribution channels
- CAFII and its members are seen to be advocates for alternate distribution channels and easy access to insurance solutions
- Be better prepared and positioned to respond strategically and effectively to the media and consumers

	Regulators and Policy-Makers	Media	Public and Consumer Interest Groups
Current State	<ul style="list-style-type: none"> •CAFII has strong relationships, a good reputation and regular interaction with regulators. •Inconsistent relationships with policy-makers 	<ul style="list-style-type: none"> •Little or no interaction with media and varying views amongst members about 'how far should we go?' •Selectively reactive with media 	<ul style="list-style-type: none"> •Enhanced CAFII web site serves a passive communications vehicle for Key Messages about Creditor Insurance and alternate distribution
	Short to mid-term objectives Proactive Advocacy	Mid to long-term objectives Reactive But Prepared	Mid to long-term objectives Prepared And Responsive
Future Vision	<ul style="list-style-type: none"> •CAFII interacts even more frequently with regulators and regularly with policy-makers, through a variety of approaches. •They are fully aware of the needs of Canadians regarding Creditor Insurance and the role CAFII members play in providing ease of access to valuable products. 	<ul style="list-style-type: none"> •The benefits of Creditor Insurance are clearer. •Myths regarding Creditor Insurance are dispelled. •CAFII is seen to be a consumer advocate related to easy, convenient access to a straightforward product. •CAFII is regarded as a "go to" resource for credible information on Creditor Insurance 	<ul style="list-style-type: none"> •CAFII Members are proud to serve Canadians with products that meet their needs in terms of both protection and availability. •CAFII Members are seen as proponents of consumer access to simple, convenient insurance products. •CAFII is regarded as a "go to" resource for credible information on Creditor Insurance

Contents

- Overall Strategy and 2014 External Communications Objectives
- Current Situation and SWOT Analysis
- External Communications Objectives and Future Vision
- Future State
- Measures of Success

APPENDICES

(Samples for illustration purposes – to be updated once Communications Strategy approved)

A: 2014 Communications Tactics

B: Implementation Timelines For New Tactics – Regulators and Policy-Makers

C: Key Message Map : Benefits/Value of Creditor's Insurance

Objectives

Overall Communications Strategy

- Support achievement of CAFII's strategic objectives
- Communicate and effectively engage with key external audiences
- Demonstrate the value of the insurance solutions and channels offered by CAFII members:
 - Creditor insurance
 - Alternate distribution channels (non-broker driven)
- Create greater awareness and understanding
- Gain control of the “communications agenda” and change perceptions among key audiences

2014 External Communications Objectives

- Build on past strengths by enhancing CAFII's current proactive communications strategy with regulators, while broadening the audience focus and resource allocation to include policy-makers
- Ensure all audiences are well-informed about the benefits of Creditor Insurance and alternate distribution channels
- Enhance the perception of CAFII among key audiences so that:
 - CAFII begins to be regarded as the “go to” resource for credible information related to Creditor Insurance
 - CAFII and its members are seen to be advocates for alternate distribution channels and easy access to insurance solutions
- Be better prepared and positioned to respond strategically and effectively to the media and consumers re mis-information about Creditor Insurance products and alternate distribution channels
- Assess opportunities and tactics to begin outreach to and to influence non-FI Creditor Insurance players whose practices could give rise to PPI-type regulations, around adopting industry best practices

Current Situation:

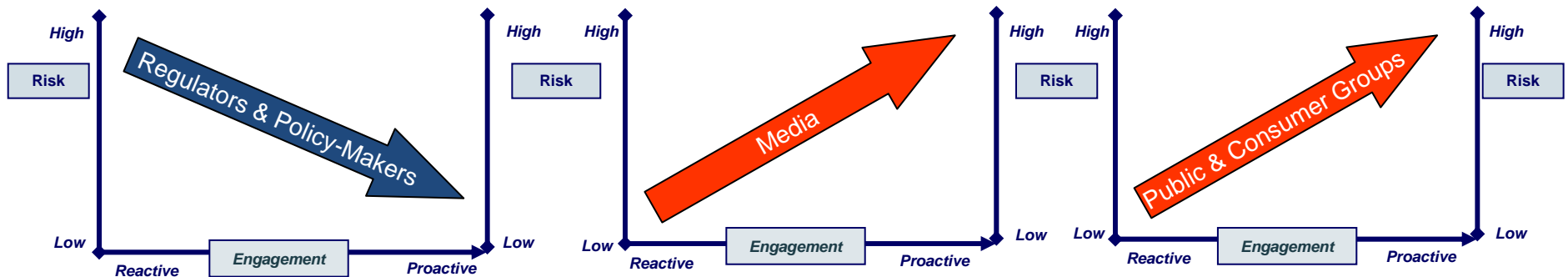
External Communications SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Respect from most regulators. • CAFII is a “go to” resource for regulators on issues related to Creditor Insurance and, in many cases, insurance distribution. 	<ul style="list-style-type: none"> • Limited profile with all audiences except Regulators. • CAFII is not a “go to” resource for the media, the public, consumer interest groups, or other industry players when issues arise related to Creditor Insurance. 	<ul style="list-style-type: none"> • Strengthening relationships with policy-makers on a consistent basis. • Developing relationships with some consumer interest groups and media. • Both actions would better protect CAFII members for the future. 	<ul style="list-style-type: none"> • Lack of more visible messaging may make CAFII a target for opponents. • But by responding to negative press and mis-information, run the risk of making things worse.
<ul style="list-style-type: none"> • CAFII has completed occasional research that reinforces the benefits of Creditor Insurance. 	<ul style="list-style-type: none"> • CAFII does not have a clear consensus among members for a well-articulated strategy related to external communications to media and consumers, except for media contact contingencies. 	<ul style="list-style-type: none"> • Research will provide a valuable foundation for potential advocacy and/or rebuttal points when Bank Act consultations commence in 2015. • More frequent reinforcement of messaging to regulators and policy-makers utilizing a variety of approaches, including in-person meetings, website content and webinars. 	<ul style="list-style-type: none"> • Existing research has a limited shelf life.
<ul style="list-style-type: none"> • CAFII has additional capacity to deal with adverse media developments. (i.e. Executive Director) 	<ul style="list-style-type: none"> • CAFII does not control the communications agenda related to Creditor Insurance. 	<ul style="list-style-type: none"> • New website provides a rationale for introducing CAFII and our key messages to a broader audience. 	<ul style="list-style-type: none"> • Publicizing positive research results provides opponents with new “intelligence.” Being more proactive may attract more negative attention.
<ul style="list-style-type: none"> • New web site initiative provides better communication potential. 	<ul style="list-style-type: none"> • Without a strong advocacy position, CAFII member employees may not be as confident in Creditor Insurance as they should be. 	<ul style="list-style-type: none"> • Enhanced advocacy may facilitate a better public awareness of Creditor Insurance and alternate distribution, and support member sales efforts. 	<ul style="list-style-type: none"> • Unexpected media or regulatory action.
<ul style="list-style-type: none"> • The external environment related to Creditor Insurance has been relatively quiet. 	<p>CAFII does not influence the practices of a segment of Creditor Insurance that regulators could target (egs. auto dealers, payday loan companies, non-FIs)</p>	<ul style="list-style-type: none"> • Potential to engage with consumer interest groups for monitoring and environmental scanning purposes. • Potential to engage with non-FI Creditor Insurance players to fend off broad brush PPI-type regulations. 	<ul style="list-style-type: none"> • Regulators might introduce broad brush new regulations for Creditor Insurance, to address concerns not being caused by CAFII members.

External Communications Audiences and Approaches: Current State and Future Vision

	Regulators and Policy-Makers	Media	Public and Consumer Interest Groups
Current State	CAFII has strong relationships, a good reputation and regular interaction with regulators. Inconsistent contact and relationships with policy-makers	Little or no interaction with Media and varying views amongst members about 'how far should we go?' Prepared to be selectively reactive with media	No specific current objective or strategy
	Selective use of CAFII research in: •Regulatory submissions •Meetings occasioned by regulatory consultations	Selective use of CAFII research in "defence scenarios" currently contemplated	New website contemplates content designed for the public
Future Vision	Short- to Mid-term Objectives •CAFII interacts even more frequently with regulators and policy-makers through a variety of approaches. •They are fully aware of the needs of Canadians regarding Creditor Insurance and the role CAFII members play in providing ease of access to valuable products.	Mid- to Long-term Objectives •The benefits of Creditor Insurance are clearer. •Myths regarding Creditor Insurance are dispelled. •CAFII is seen to be a consumer advocate related to easy, convenient access to a straightforward product.	Mid- to Long-term Objectives •CAFII Members are proud to serve Canadians with products that meet their needs in terms of both protection and availability. •CAFII Members are seen as proponents of consumer access to simple, convenient insurance products.
	•Targeted research is regularly conducted on strategic issues •Research is regularly leveraged. •Messages for other stakeholders are tested with regulators and policy-makers. •Assess opportunities and tactics to begin outreach and influence non-FI Creditor Insurance players whose practices could give rise to PPI-type regulations	•CAFII (and not others) is the "go to" place for credible information related to Creditor Insurance. •Detailed research findings are available to support messaging.	•Better information and facts are available regarding Creditor Insurance and alternate distribution.

Future State Engagement with Key Audiences: From Reactive to Proactive – How Far to Move?



Future Vision			
Target Audience & Approach	Regulators and Policy-Makers	Media	Public and Consumer Interest Groups
	Proactive Advocacy	Reactive But Prepared	Prepared And Responsive
Rationale	<ul style="list-style-type: none"> •Reduces risk and increases opportunities to influence. •Receptive to understanding the value that Creditor Insurance and alternate distribution channels provide to under-served consumers, despite strong broker advocacy •Absence of this advocacy and CAFII messaging could lend credibility to broker messaging amongst this audience 	<ul style="list-style-type: none"> •Viewed as optimal strategy at this time •Long-standing, negative perceptions exist about Creditor Insurance and direct distribution channels •Proactive engagement should be minimized. It would increase risk, as it may 'create the story' and reinforce negative perceptions 	<ul style="list-style-type: none"> •Viewed as optimal strategy at this time •Long-standing, negative perceptions exist about Creditor Insurance and alternate distribution channels, reinforced by brokers •Proactive engagement should be minimized. It would increase risk, as it may 'create the story' and reinforce negative perceptions
Future Vision	<ul style="list-style-type: none"> •CAFII is increasingly proactive in its strategic use of facts and research findings to advocate for Creditor Insurance and the related public policy benefits of providing ease of access to simple insurance products 	<ul style="list-style-type: none"> •CAFII selectively reacts to Media reports, using strategic Key Messages, based on facts and targeted research. In accordance with Media Protocol and Board approval of each opportunity, we provide a balanced, informed perspective 	<ul style="list-style-type: none"> •CAFII promotes the benefits of Creditor Insurance. We help consumers to better understand the product and its related processes. We anticipate and provide answers to questions.

Future State:

Summary of 2014 External Communications Tactics

Regulators and Policy-Makers

Proactive Advocacy

- Expand Regulator contact to include policy-makers
- Enhanced Regulatory Visit Plan
- Regulator events /webinars
- Proactive written contact
- Strategic submissions
- Enhanced web content
- 'Regulator Kit'
- Targeted research to support messaging
- Commitment to face-to-face meetings with targeted regulators and policy-makers plus ongoing written contact
- Assess opportunities to influence non-FI Creditor Insurance groups on industry best practices

Media

Reactive But Prepared

- Respond strategically and selectively to media and social media misinformation on Creditor Insurance
- Apply approved Media Protocol
- Targeted Key Messages
- Media section on website.
- "About Creditor Insurance" Media Kit.
- Assess promoting Media Kit to targeted test outlets.

Public and Consumer Interest Groups

Prepared And Responsive

Enhanced targeted web site:

- Key Messages
- FAQs
- Revamped "Contact Us"
- Consumer testimonials
- Search Engine Optimization to drive traffic to CAFII site
- Leverage targeted research to support messaging
- Monitoring of consumer interest groups for environmental scanning purposes

Q4 of 2014

For each audience, revisit and assess strategy, level of engagement, and tactics for 2015

Measures of Success

We will know we have been successful when.....

Regulators and Policy-Makers

This Audience:

- Accepts and acts on policy recommendations and positions advocated by CAFII in a great majority of cases
- Recognizes CAFII as a credible, well-prepared “go to” resource on matters pertaining to Creditor Insurance and alternate distribution
- Regulators and Policy-Makers differentiate between CAFII members and other non-FI players that ‘dabble’ in certain forms of Creditor Insurance (egs. car dealers; payday loan companies; retailers)
- Becomes more fully aware of the benefits and value of Creditor Insurance to a broad, under-served segment of Canadian consumers
- Recognizes CAFII and its members as leading industry advocates and providers of convenient consumer access to simple, straightforward insurance products
- Has “first name basis” relationships with key CAFII representatives
- Knows that CAFII will meet with them regularly (minimum every 18 months) to maintain a face-to-face relationship, and will have ongoing written and phone contact
- Knows that interaction will be informative and worthwhile and include new industry insights, updates on important issues, and/or significant and reasonable “asks”
- Looks forward to receiving the results of CAFII’s independent research on insurance issues, and respects the credibility of the data
- Non-FI Creditor Insurance Players look to CAFII as the “go to” source re industry practices; some/all have become Associate members; and practices of concern to regulators are modified

Media

CAFII has:

- Taken small steps towards changing media perceptions about Creditor Insurance through well-prepared handling of reactive media situations; acting and communicating to correct misinformation published about Creditor Insurance; and selective dissemination of well-developed Media Kit materials
- Delivered Key Messages and Stock Answers that resonate with media and are quoted in resulting media coverage
- Strategically responded to misinformation on a timely basis, when it is deemed appropriate by the Board
- Monitored media coverage and social media posts; and responded when appropriate, thereby achieving initial progress on dispelling media myths about Creditor Insurance and alternate distribution channels
- Begun to be seen as a consumer advocate identified with the Association’s tagline: “Making Insurance Simple and Accessible for all Canadians”
- Gained an informed perspective on the media’s receptivity to a post-2014 possible program of Media Releases based on independent, third party consumer research

The Public and Consumer Interest Groups

CAFII has:

- Leveraged enhanced information on the web site for responding to questions about Creditor Insurance and alternate distribution
- Web site stats that show consistent growth in traffic, especially to consumer testimonials
- Started to become identified with the Association’s tagline: “Making Insurance Simple and Accessible for all Canadians”

APPENDICES

APPENDIX A: 2014 Communications Tactics

- Regulators and Policy-makers
- Media
- Public and Consumer Interest Groups

APPENDIX B: Implementation Timelines For New Tactics – Regulators and Policy-Makers

APPENDIX C: Key Message Map : Benefits/Value of Creditor's Insurance

Samples for illustration purposes – to be confirmed once plan approved

Appendix A: 2014 Communications Tactics

Regulators and Policy-Makers

- ✓ Continued strong proactive focus on this key audience, broadened to include Policy-Makers in addition to Regulators
- ✓ Majority of activity is provincially focused, with selective activity against federal authorities, i.e. Financial Consumer Agency of Canada (FCAC)
- ✓ Maximize use of face-to-face interaction opportunities, as the warmest and most effective channel to build relationships and deliver key messages
- ✓ Strategic use of all written contacts (submissions, regulatory newsletters, etc.) as an opportunity to reinforce communications objectives

Communication Tactics	Details
Proactive Face-to-Face Interaction	<p><i>Continued Activity, with enhanced focus:</i></p> <ul style="list-style-type: none"> • Invitations to CAFII Speaker and Networking events • Pre-consultation and consultation meetings with regulators • Enhanced Regulator Visit Plan, focused on dedicated, face-to-face meetings with each provincial regulator at least once every 18 months, in Toronto or their location - Leverage regional meetings where common interest exists - Periodic liaison meetings with provincial regulator executive teams, as needs/issues arise <p><i>New/Enhanced Activity:</i></p> <ul style="list-style-type: none"> • Identify key provincial and federal policy-makers and develop a Policy-Maker Visit Plan, with targeted key messages • Meet with relevant provincial policy-makers, in conjunction with regulator meetings • Attendance at industry conferences, symposia, and related events where regulators and policy-makers will be present • Assess options to engage and influence non-FI Creditor Insurance players around regulatory risk discussions and industry education, including targeting them as possible Associate Members of CAFII
Proactive Written Communications	<p><i>Continued Activity, with enhanced focus:</i></p> <ul style="list-style-type: none"> • Timely, high quality regulatory submissions emblazoned with new CAFII branding • Webinars for CCIR and the CISRO community (on annual basis at a minimum) • Regulatory Newsletter, distributed to regulators and policy-makers as an information resource • Regular phone contact by Executive Director to source newsworthy developments • Interaction with related Associations (i.e. CLHIA, CBA) to ensure Key Messages are aligned yet still tailored to reflect CAFII's perspective <p><i>New/Enhanced Activity:</i></p> <ul style="list-style-type: none"> • Sponsor more frequent independent consumer research on key CAFII issues to provide content for submissions and proactive Releases . (i.e.. inclusion of two or three targeted questions on quarterly omnibus survey, eg. Pollara's syndicated "InsurPoll") • Strategically share results with regulators and policy-makers in timely, focused manner through both written Releases and educational webinars • Regulator Kit of briefing documents focused on CAFII's key messages (both electronic and paper distribution) • Leverage enhanced, regularly updated web site content which provides CAFII-branded regulator and policy-maker-focused resources

Appendix A: 2014 Communications Tactics

Media

- ✓ Focus on continuing to improve a “Reactive but Prepared” strategy, using approved Media Protocol to guide the process
- ✓ Do **not** proactively engage with media, but identify selected opportunities to respond while balancing risk versus benefit of doing so
- ✓ Reassess strategy as part of 2015 communications planning

Communication Tactics	Details
Reactive but Prepared	<p><i>New /Enhanced Activity:</i></p> <ul style="list-style-type: none"> • Develop a broad inventory of Key Messages which can also be used with other Key Audiences and develop potential story scenarios with up-to-date scripted responses (share with CAFII members for their own use) • Identify “friendly” media representatives • Respond to media requests for information and interviews, in accordance with Board-approved Media Protocol • Monitor media coverage and social media posts (English and French) re Creditor’s Insurance and related CAFII-relevant issues <ul style="list-style-type: none"> – Strategically and selectively respond to published misinformation about Creditor’s Insurance products, using Key Messages and Stock Answers • Provide media training session for Executive Director and available Board members, based on approved Key Messages and Stock Answers • Create “About Creditor Insurance” Media Kit from web-based resources, for ready dissemination when need arises <ul style="list-style-type: none"> – some overlap with Regulator Kit content, so likely dual application of information pieces developed – Develop Media-focused section on CAFII web site – Leverage independent consumer research on key CAFII issues (developed primarily for use with Regulators and Policy-Makers) to provide content for responding to media information requests and published mis-information. • Revisit and assess this Communications Strategy in Q4 2014 to determine if CAFII wishes to continue a “Reactive but Prepared” approach or gradually transition to more proactive media communications tactics beginning in 2015

Appendix A: 2014 Communications Tactics

The Public and Consumer Interest Groups

- ✓Take a largely 'Prepared and Responsive' approach to communication with this target audience but do **not** proactively engage with them.
- ✓Identify if selected opportunities are available to provide information and add value while balancing risk versus benefit of doing so
- ✓Reassess strategy as part of 2015 communications planning

Communication Tactics	Details
Prepared and responsive	<p>New/Enhanced Activity:</p> <ul style="list-style-type: none"> •Increase reliance on the recently enhanced website to communicate with this audience: <ul style="list-style-type: none"> –Ensure Key Messages and FAQs are added to the website and easily accessible to the public –Source member company testimonial videos or short stories citing the positive impact of Creditor Insurance. –Enhance “Contact Us” section to facilitate consumer questions about Creditor Insurance, or about CAFII and its members. Ensure responses to questions are provided on a timely basis –Invest in Search Engine Optimization (SEO) services to drive consumers with “Creditor Insurance” and related queries to the site •Leverage independent consumer research on key CAFII issues (developed primarily for use with Regulators and Policy Makers) to provide content for responding to Public and Consumer Interest Group information requests •Monitor the agendas and activities of key Consumer Interest Groups for environmental scanning purposes: <ul style="list-style-type: none"> –i.e.. Consumers Council of Canada; Consumer’s Association of Canada; Public Interest Advocacy Centre, etc. –identify opportunities to provide value-added information (eg. “Creditors Insurance: Are Consumers Being Well Served?” report prepared by Consumers Council of Canada for Office of Consumer Affairs, Industry Canada, March 2009) •Revisit and assess this Communications Strategy in Q4 2014 to determine if CAFII wishes to continue a “Prepared and responsive” approach or gradually transition to more proactive communications tactics with this audience beginning in 2015

Appendix B: Implementation Timelines For New Tactics

Regulators and Policy-Makers

(Sample only. To be revised – along with Implementation Timelines for other Key Audiences – once Communications Strategy approved and Tactics finalized)

				2013		2014											
				Period	oct	nov	dec	jan	feb	mar	apr	may	jun	jul	aug	sep	oct
Objective	Comms. Objective	Audience	Activity														
Engage effectively with Key Audience	Position CAFII as the “go to” resource for credible information about Creditor Insurance	Regulators and Policy-Makers	Update Regulatory Visit Plan to achieve objective of meeting face-to-face with each relevant regulator and policy-maker at least once every 18 months	X	X												
		“	Include provision for expenses re augmented Regulatory Visit Plan in 2014 Operating Budget	X	X												
		“	Compile list of industry conferences, symposia, etc. that provide a meaningful opportunity for interaction with regulators and policy-makers	X	X												
		“	Include provision for expenses re attendance and liaison meetings at industry conferences, symposia etc. in 2014 Operating Budget	X	X												
		“	Compile list of events that provide meaningful opportunity for interaction with regulators and policy-makers	X	X												
		“	Include provision for expenses re CAFII participation in relevant events in 2014 Operating Budget	X	X												
“	“	“															
Demonstrate the value of Creditor Insurance	Communicate the consumer benefits of Creditor Insurance, and positively influence perceptions, awareness, and understanding	Regulators and Policy-Makers	Develop Regulator Kit														
“	“	“	Disseminate Regulator Kit	X	X	X											
“	“	“	Formulate plan and budget for increased use of independent consumer research	X	X	X											
		(Non-FI Creditor Insurance Groups)	(Identify and engage with non-FI Creditor Insurance Groups around regulatory risk discussions and industry education; and possible Associate membership in CAFII)	X	X	X											

Appendix C:

Key Message Map - Benefits/Value of Creditor's Insurance

(Sample only for illustration purposes - Key Message Map available for each Key Message)

Net Impression Takeaway:

Overall, Creditor's Insurance is a competitive and affordable product, and meets a distinct market need.

Key Message #1	Key Message #2	Key Message #3
Creditor mortgage Insurance is affordable and competitive with term life insurance, and more advantageous for some consumers	Creditor mortgage insurance's approach to pricing and payments benefits the consumer	Creditor insurance protects specific debt obligations, thereby allowing other personal and/or group coverage to take care of other financial obligations of the consumer's family
SUPPORTING PROOF POINTS		
<ul style="list-style-type: none"> ▪ Creditor offers level premium for duration of original debt, be it 5 or 35 years ▪ Creditor pricing model of initial age and initial balance, with coverage paid on declining balance, equalizes premium over mortgage term, making coverage more affordable and accessible for younger, lower net worth, lower income borrowers ▪ While individual term life provides a consistent coverage level, annual premium cost may be prohibitive for some home buyers, particularly in early years, so they don't buy coverage ▪ Creditor may be more expensive at certain ages, as it's based solely on age bands versus male/female and smoker/non-smoker for term insurance ▪ ie.: term 10/20 may be cheaper for young female non-smokers, but term premiums increase at set intervals (every 10 or 20 years), which can be very costly in long run ▪ Over the life of a mortgage, the cost of creditor insurance is very competitive with term 10/20. 	<ul style="list-style-type: none"> ▪ Creditor offers level premium for duration of original debt, be it 5 or 35 years ▪ In most cases, same premium is charged for the life of the mortgage, based on client's age and mortgage amount at time of application, even if mortgage is renewed (so long as mortgage amount doesn't change) ▪ This spreads out the total cost of insurance coverage over life of the mortgage, making it easier to "budget expenses" and afford the needed coverage ▪ Premiums are conveniently paid via the regular mortgage payment and remain constant during term of mortgage ▪ This approach also protects consumers from increased insurance costs as they move to older, higher premium age bands 	<ul style="list-style-type: none"> ▪ Creditor insurance complements other insurance coverage by providing a family with full protection in the event of death or disability ▪ Creditor insurance is a cost-effective way to protect a mortgage or loan debt and one's credit rating ▪ By directly covering a specific debt obligation, creditor insurance frees up other individual and group life and disability benefits to protect a family's quality of life by covering such expenses as medical, education, childcare, burial, capital gains taxes, etc. ▪ 50% of Canadian adults under age 50 will experience a disability lasting between three months and two years before age 65, during which debt and new expenses must be covered ▪ Combined with individual and group disability coverage (typically maximum 70% of income), creditor insurance provides complementary coverage and full protection in the event of death or disability. All should be considered as part of an overall financial plan ▪ 59% of Canadians who have creditor insurance also own individual life insurance; 38% of them also have group life (Ipsos-Reid Canadian Financial Monitor for year ending December 2005)

Regulatory Update - CAFII Board of Directors, October 8, 2013

Prepared By Brendan Wycks, CAFII Executive Director

Federal/National

New Life Insurance Industry Association

One of the 12 stakeholder submissions in response to CCIR's E-Commerce Position Paper came from The Life Insurance Direct Marketers Association of Canada (LIDMAC). LIDMAC was founded in 2013 by five Canadian life insurance brokers. Its mandate is threefold: Education, Advocacy, and Marketing and the fledgling life insurance ecommerce industry in Canada. LIDMAC indicates that its formation was partially driven by the need to define internet and non-face-to-face standards for life insurance brokers. While the organization is still in its infancy, LIDMAC says that it has recognized a need for more in-depth training for life insurance agents and brokers in Canada. LIDMAC is based in New Hamburg, Ontario and its President is Glenn Cooke.

New FCAC Commissioner Appointed

On September 4, the Honourable Jim Flaherty, Minister of Finance, today announced the appointment of Lucie Tedesco as Commissioner of the Financial Consumer Agency of Canada.

Ms. Tedesco's appointment coincides with a renewed focus on financial literacy for seniors announced in Economic Action Plan 2013 to be spearheaded by FCAC, under the leadership of the Financial Literacy Leader.

Ms. Tedesco has served as Deputy Commissioner of FCAC since 2008 and has been acting in the role of Commissioner since June 2013. Prior to joining FCAC, she served as Vice-President, Strategy & Planning – Insurance Group at Export Development Canada.

Financial Literacy Month

November is Financial Literacy Month (FLM) in Canada. FLM brings together the resources, information, products and services developed by organizations across the country that help Canadians strengthen their financial literacy. The calendar of activities is on the FCAC website. CLHIA has advised that it plans to engage with FCAC and become involved in Financial Literacy Month.

Alberta

New Deputy Superintendent of Insurance

As of June 27, 2013 Laurie Balfour began acting as, and will soon be appointed as, the Deputy Superintendent of Insurance - Alberta.

Brad Geddes has been seconded to the Government of Alberta's (ADM) Flood Recovery Task Force as the Director of Stakeholder Engagement. This is for an indefinite period of time, likely for at least six months.

Alberta Launches New Canadian Insurance Participant Registry (CIPR)

On August 8, 2013 the Alberta Insurance Council launched a new service called the **Canadian Insurance Participant Registry** or “**CIPR**” for short.

CIPR serves a number of purposes:

1. It provides a single, secure location where you can maintain and control your personal information;
2. It requires you to specify an email address that will act as your login identification rather than your license number. You will use this and your choice of password to log into both CIPR and AIC systems; and
3. It gives you a unique business identifier that you can use to identify yourself with other industry players such as insurers, LLQP providers and CE providers.

The CIPR addresses a need that CAFII has been advocating for years. If set up properly and adopted by other Canadian provinces, it can become a first step toward a national registration system.

Saskatchewan

CAFII Concept Proposal For Restricted Insurance Agents Advisory Committee

CAFII’s Licensing Efficiency Issues Committee has developed a “Concept Proposal For Insurance Councils of Saskatchewan Restricted Insurance Agents Advisory Committee,” with counsel and drafting assistance from Stikeman Elliott. (The members of the LEIC are Moira Gill (Chair), Sara Gelgor, Greg Grant, John Poolman, and Brendan Wycks.) In addition, the thinking behind the Proposal has been tested, at several steps along the way, through sounding board discussions with Ron Fullan, Executive Director of the Insurance Councils of Saskatchewan.

Our proposal for a body to represent the interests of Restricted Insurance Agents in Saskatchewan is positioned as an Advisory Committee to the Executive Director, with flexibility built-in for the committee to take on a different form/status should its evolution dictate such.

The Proposal was reviewed, tweaked and finalized by the LEIC on October 2, and then forwarded to the EOC for review and approval. After receiving EOC feedback and refining the proposal, if necessary, it will be sent with a cover letter to Ron Fullan on or before Friday, October 11.

Manitoba

Draft Incidental Sellers of Insurance (ISI) Regulation

Scott Moore, Manitoba’s Deputy Superintendent of Financial Institutions – Insurance, called Brendan Wycks on October 2 to provide an update on where things stand with his province’s Draft ISI Regulation.

Here is a summary of the information that Scott shared:

We're still plugging away on our review, analysis and concordance work on the stakeholder submissions, but it's coming along and we're progressing well. We're trying to harmonize with the other two ISI regime provinces as much as possible. The work is taking a bit longer than we originally thought, but we're on the case and none of the stakeholders or their submissions have been forgotten.

Issue: Travel Insurance and Personal Accident Insurance

We still have to decide how we're going to deal with these two types of insurance. There's a key distinction between us and Saskatchewan and Alberta with respect to travel and accident insurance.

Saskatchewan and Alberta never defined who is an Incidental Seller of Insurance; rather, they created legislation and regulations to set up "licensed entities." In contrast, we recently amended our Manitoba Insurance Act to define "Incidental Seller of Insurance."

Now because travel and personal accident insurance are not sold "incidental" to the sale of any other product, we have to decide if travel and accident can be fitted into our ISI regime in this province or not. We will not be looking at going back and amending the Act again.

So for your CAFII member FIs, it could end up being "status quo" for travel and accident insurance if we decide that they cannot be squared up with the ISI regime. If it turns out that status quo is our decision with respect to travel and accident insurance, that would make things easier for your members.

Issue: Rostering Requirement

We're not looking to make anyone's life burdensome or to impose onerous requirements under our ISI regime. But the regulatory issue here is Can the Insurance Council be in a position to confirm that someone has been properly trained? So we think that the solution is for us to provide clarification in the Regulation as to what we're expecting to fulfill this requirement. Our expectations will be reasonable and not unduly burdensome.

Issue: Qualified Entities

Would the Insurance Council be looking for a restricted licensee to provide a copy of its contract with a Qualified Entity (eg. a Call Centre)? The answer is No, we don't want to be imposing anything onerous or burdensome, and we certainly don't want the Council to have to get into make-work projects around records and archives. But the authority and the discretion has to be there for the Superintendent to be able to ask to see such a contract when a circumstance arises that warrants such a request. In other words, situations will sometimes come up where the regulator needs to say "Prove it. Show me the documentation." Of course, that authority will only be exercised in those exceptional circumstances. But that's what this provision in the Reg is all about and the solution again is for us to provide clarification.

Timelines:

We expect to have everything chewed up and pretty well complete within the next month or so. There are a few things to iron out with the portable electronics sellers with respect to the insurance that they sell; and while that's not germane to CAFII and the main sectors of the industry, we do want to try to move forward with one integrated ISI package.

That said, with our Bill from last year, there are other insurance-related Regs pending as well. So as we size up where we are on the ISI Regulation right now, we're contemplating moving forward in a two-phase approach:

- (i) moving ahead with the other insurance-related Regs first; and
- (ii) moving forward with the ISI Regulation in a second phase.

Our goal is to have both regulatory components completed and adopted by the end of 2013, and we believe that that's still possible to achieve.

If that turns out not to be possible, we foresee having the other insurance Regs adopted by the end of 2013; and then the ISI Reg adopted early in 2014, say by the end of the first quarter.

In any event, we definitely want to have our ISI Regime come into force in 2014. And given that there will be a period of time allowed for industry to become familiar with the Regime and to adapt to its requirements, it's just a question of whether the "in force" date will be July 1, 2014 or December 31, 2014. The operative date depends upon how things unfold from here on in.

Ontario

Insights and Advice From Phil Howell, Superintendent of FSCO

On July 5, 2013, CAFII Executive Director Brendan Wycks had a *Get Acquainted Lunch* with FSCO Superintendent Phil Howell, at Phil's invitation. The insights gained from this lunch discussion with Mr. Howell are set out in Appendix A to this Regulatory Update.

FSCO's 6th Annual Symposium for Life and Health Insurance Sector: Friday, November 22, 2013

FSCO will hold its 6th Annual Symposium for the Life and Health Insurance sector on Friday, November 22, 2013 from 8 AM to 12 PM at hotel Novotel in North York.

Quebec

New AMF CEO: Louis Morisset

In mid-June, Louis Morisset, a lawyer by training, was appointed CEO of the AMF, succeeding Mario Albert. Morisset previously served as Superintendent of Securities Markets at the AMF, where he has worked since 2006. In that role, he was responsible for enforcing laws and regulations related to issuers of securities, including initial public offerings, continuous information that securities issuers must produce, their governance, mergers and acquisitions, and the creation and marketing of derivatives.

Morisset was also responsible for overseeing activities in Quebec securities markets and those of IIROC. He has been a member of the Quebec Bar since 1996.

The appointment of Mr. Morisset occurs after the departure of his predecessor Mario Albert to the leadership of Investissement Québec (www.investquebec.com).

AMF Designates Desjardins Group As Domestically Systemically Important Financial Institution

On June 19, the AMF announced that it had designated Desjardins Group as a domestic systemically important financial institution ("D-SIFI"), in accordance with the criteria set out by the Basel Committee on Banking Supervision. This status will result in additional capitalization and disclosure requirements, as well as enhanced supervision.

The AMF is in regular communication with Desjardins Group to ensure it provides a framework consistent with international standards, particularly those pertaining to capital adequacy. The designation of Desjardins Group as a systemically important financial institution is part of this process.

As a D-SIFI, Desjardins Group will, effective January 1, 2016, be imposed an additional 1% Tier 1 capital requirement, which will be met primarily through reserves and capital shares.

Sound Commercial Practices Guideline

The AMF issued Quebec's Sound Commercial Practices Guideline on June 11, 2013, in accordance with An Act respecting insurance, R.S.Q., c. A-32, *An Act respecting financial services cooperatives*, R.S.Q., c. C-67.3 and *An Act respecting trust companies and savings companies*, R.S.Q., c. S-29.01.

The Guideline applies to insurers, portfolio management companies controlled by an insurer, financial services cooperatives, trust and savings companies effective June 13, 2013.

It is available on the AMF Website under the tabs "Insurance and financial planning" or "Deposit Institutions" in the section "Guidelines".

Two-Page Distribution Guide

On August 20, 2013, Louise Gauthier of the AMF advised Brendan Wycks that "A new version of the Distribution Guide will be circulated this fall. I do not have more precise information at this stage but will keep you informed."

New Brunswick

New One-Stop Shop For Consumer Information and Industry Regulation

New Brunswick's new Financial and Consumer Services Commission began operations on July 1, 2013.

The Financial and Consumer Services Commission (FCSC) brings together the regulatory authorities for securities, insurance, pensions, consumer affairs, co-operatives, credit unions, caisses populaires, and loan and trust companies.

"We live in a world with a rapidly changing financial and consumer services marketplace where increasingly complex products and services are being offered," said David Barry, Chair of the FCSC.

"Under this new model, the regulation of financial services in New Brunswick will be more effective with consistent and appropriate regulatory oversight allowing us to respond to evolving marketplace needs."

The FCSC will have offices in Saint John and in Fredericton. The FCSC is an arm's-length Crown Corporation self-funded by the fees and assessments paid by the regulated sectors.

The same Legislation that created the FCSC has also created a Tribunal to perform required adjudicative functions. The Tribunal will operate independently from the administration and policy-making functions of the FCSC. It will hear matters related to enforcement as well as appeals of a regulatory decision made by FCSC staff. The independent Tribunal will provide the regulated sectors with a transparent and consistent hearing process.

New Brunswick Launches Consultation on "Opportunities for Reforming the New Brunswick Licensing Framework for Other-than-Life Insurance Agents and Brokers"

On August 29, 2013, New Brunswick's Financial and Consumer Services Commission released a Discussion Paper, for consultation, titled "Opportunities for Reforming the New Brunswick Licensing Framework for Other-than-Life Insurance Agents and Brokers."

Even though this consultation, by title, relates to proposed modernizations and reforms to the province's regulatory framework for Other-than-Life agents and brokers, David Weir, Deputy, Director, Insurance, included CAFII in his distribution of the Discussion Paper.

And he says **"although the main focus of the paper is the licensing regime for other-than-life agents and brokers, some of the items discussed also impact other insurance intermediaries. Therefore, we also welcome any feedback from these intermediaries."**

Through a phone conversation with Mr. Weir, CAFII Executive Director Brendan Wycks learned that some of the items discussed in the paper also impact other insurance intermediaries is that New Brunswick may well introduce amendments that affect both Other-than-Life agents and brokers and Life agents and brokers simultaneously, particularly for matters where amendments to the Insurance Act will be required, and where it makes sense to do so based upon the feedback they receive from stakeholders.

The Licensing Efficiency Issues Committee will be working to submit a CAFII response to the paper by the October 31 deadline.

Canadian Council of Insurance Regulators

Responses to Electronic Commerce in Insurance Products Position Paper

CCIR's Electronic Commerce Committee (ECC) will be taking the comments received from 12 different stakeholder groups, including CAFII, into consideration in an effort to finalize the position paper for CCIR adoption.

The ECC's objective with this position paper is to communicate back to stakeholders what it has learned from the previous consultation and to set out recommendations to CCIR members regarding the issues discussed.

Open Letter to Canadian Insurers Leads to "Market Changes Working Group"

In July 2013, CCIR sent a letter to insurers in Canada asking them to apprise regulators when they are making major changes that affect the marketplace (products, distribution, etc.). In that connection, CCIR has now set up a working group, to be chaired by Grant Swanson of FSCO, to meet with industry associations to operationalize this request. The letter to insurers is reprinted as Appendix B to this Regulatory Report.

CCIR to Launch Disciplinary Information Implementation Working Group

A joint CCIR/CISRO Canada-wide disciplinary information system is expected to be launched within the current fiscal year.

Insurance Core Principles Implementation Committee

This committee will be reviewing the results of the recent Financial Stability Assessment Program for insurance regulation in Canada with a view toward making recommendations to CCIR on fully implementing the international Insurance Core Principles across Canada.

CCIR "Industry Outreach Meeting" With CAFII: Wednesday, October 30, 2013

Carol Shevlin, CCIR Policy Manager, has confirmed an Industry Outreach Meeting with CAFII for Wednesday, October 30 from 10:30 a.m. to 12 Noon in Toronto (location to be confirmed).

This 90 minute slot aligns with the preferred date/time option I'd given Carol after a canvas for our Directors' availability, and should therefore allow the following Board members to attend:

- Mark Cummings, ScotiaLife Financial, Board Chair;
- Rino D'Onofrio, RBC Insurance, Board Vice-Chair;
- Dave Minor, TD Insurance;
- Rick Lancaster, CIBC Insurance;
- Julie Barker-Merz, BMO Insurance; and
- Richard Hebert, National Bank Insurance (by phone).

Now that the date and time of this meeting are known, other CAFII Directors might be able to fit it into their calendars and would be welcome to do so.

Canadian Insurance Services Regulatory Organizations (CISRO)

Next LLQP Stakeholder Information Session

Ron Fullan, Chair of CISRO's Life License Qualification Program Committee, has advised that the next LLQP Stakeholder Information Session will be held in Toronto on Wednesday, October 30. Brendan Wycks has asked Ron to avoid a scheduling conflict with CAFII's Industry Stakeholder Meeting with CCIR on the morning of October 30.

The new LLQP is to be ready by September 2015. Currently, the LLQP does not include BC and Quebec but both provinces will be included in the new program.

International

Joint Forum Seeks Comments on Point of Sale Disclosure

A group of global financial regulators is calling for improvements to point-of-sale disclosure in financial products. The Joint Forum, which brings together the global umbrella groups of banking, securities and insurance regulators, issued a report in mid-August that examines the state of point-of-sale (POS) disclosure in each of the sectors of the financial industry in various countries. It found a wide variation in the quality of upfront disclosure and makes a series of recommendations for improving POS disclosure, including that it should be delivered before a sale is made.

Point of Sale disclosure in the insurance, banking and securities sectors

(<http://www.bis.org/publ/joint32.htm>) calls for concise written, or electronic, POS disclosure that is provided before the time of purchase. It also recommends that key elements such disclosure should cover, including costs, risks and financial benefits and other features of the product; that the disclosure should be clear, written in plain language; and designed to facilitate comparison of competing products.

Additionally, the report recommends that the responsibility for preparing and delivering the disclosure should be clearly established, and that regulators should consider how to use their powers to implement these recommendations.

The report notes that existing POS disclosure doesn't facilitate the comparison of competing products, the quality of disclosure varies across products, and that securities regulators probably do the best job of requiring POS disclosure.

"It is critically important for consumers across all financial sectors to receive adequate product disclosure at the point of sale. The consultative document proposes basic guidance for policy-makers and supervisors to achieve this objective," said Thomas Schmitz-Lippert, chairman of the Joint Forum (which includes the Basel Committee on Banking Supervision, the International Association of Insurance Supervisors, and the International Organization of Securities Commissions) and executive director, international policy/affairs at the German Federal Financial Supervisory Authority, known as BaFin.

Comments on the report are due by October 18, 2013.

Regulator: FSCO

Date: July 5, 2013

Location: Trio Restaurant, Novotel, North York Centre, Toronto

Purpose: *Get Acquainted Lunch, which Phil Howell invited Brendan Wycks to arrange during informal discussion at CAFII's 15th Anniversary event on April 10, 2013*

Attendees:

FSCO: Phil Howell, Superintendent

CAFII: Brendan Wycks, Executive Director

CAFII Relationship-Building With Policy-Makers, In Addition To Regulators

As per the advice that Phil Howell and Carolyn Rogers shared with CAFII Board Vice-Chair Rino D'Onofrio in a recent meeting, the regulator members of CCIR appreciate and value their long-established relationship with CAFII; are well familiar with the Association and its members' businesses; and pay close attention to its regulatory submissions and listen to its advice.

However, regulators do not have policy-making authority in any jurisdiction in Canada; and they do not have a direct pipeline to the final decision-makers (Ministers and Cabinet) with respect to legislative and regulatory policy. They have to work through policy staff in Ministerial offices.

Part of the job of regulators is to bring forward to policy-makers recommendations for sound prudential and market conduct regulation. But policy-makers also pay attention to direct communication from industry stakeholders and other interest groups; and sometimes political considerations outweigh policy recommendations from a regulator.

(Witness IBAC's success in the 2000-2001 timeframe, in deploying a grassroots, full court press campaign of lobbying visits by p&c brokers to their individual Members of Parliament across the country, which resulted in the Paul Martin Liberal government backing down from its proposal to allow banks to sell insurance from their branches.)

Hence, it would make eminent good sense for CAFII to devote some of its communications and advocacy resources to building relationships with key influencers and decision-makers at the policy level.

In Ontario, the key policy group for CAFII to focus on building a stronger relationship with is the Office of Economic Policy in the Ministry of Finance. This Office reports into Pat(rick) Deutscher, Assistant Deputy Minister, who is also Chief Economist for the province.

The head of the Office of Economic Policy is Alvaro Del Castillo; and he has policy responsibility for insurance and all financial services. Paul Braithwaite works in the Office of Economic Policy (B. Wycks had a valuable *Get Acquainted* chat with Paul at CAFII's Regulator Reception on June 11, 2013. Paul followed up with a phone call to B. Wycks to invite him to participate in the September 2013 charity fundraising golf tournament for the Herbert H. Carnegie Future Aces Foundation. Paul serves on the Board of this Foundation, and B. Wycks had expressed interest in its work, given his awareness of Herb Carnegie as a pioneering black ice hockey player in the 1950s and 60s.)

Catherine McFarlane is Manager of a related group within the Ministry of Finance that deals with insurance issues. However, she is retiring in a few months, so it doesn't make any sense to spend time building a relationship with her. Better to wait until her successor is appointed.

CAFII's Evolution and Presence With Regulators

Towards the end of our discussion over lunch, Phil offered up the following unprompted observations:

- It was a wise move for CAFII to hire an Executive Director, given the point it had reached in its evolution/history. It's very hard for an Association that is entirely volunteer-led and driven to have a strong, sustained presence with regulators, legislators, and other key audiences and stakeholders.
- He knows, based on conversations with Grant and Anatol from his FSCO team and with several of his counterpart provincial regulators, that I have established a presence as the "face" of CAFII and as the go-to person at the Association, which is the way things should be.
- Key to long-term, sustained success as Executive Director of an Association such as CAFII will be face-to-face relationship-building with the heads and other key senior people at the provincial regulators, OSFI, FCAC, and a few other key bodies. He recommended that, in addition to availing of opportunities to meet with regulators when they are in Toronto, CAFII should also invest in and make a point of having me visit the regulators in their offices periodically, ideally at least once a year, whether alone or with representatives from member financial institutions. Regulators appreciate it when Association representatives go out of their way to visit them on their home turf, even if it's just for a courtesy call and a general update discussion. "If you're not given the resources and the mandate to make those visits and to nurture the critically important face-to-face relationships, then you're fighting an uphill battle."

CAFII Joint Visit With Atlantic Canada Regulators

When I mentioned to Phil that CAFII was looking into the possibility of a joint liaison visit with the four Atlantic Canada regulators in the near future, he said that was an excellent idea.

Based partly upon some direct information from Phil but also upon a "reading between the lines" of a few indirect things he said on this topic, I came away with the following perceptions/observations:

- the Atlantic Canada regulators would very much appreciate a joint meeting with a CAFII delegation, as they feel somewhat neglected/ignored by CAFII and other industry stakeholders;

- given that the Atlantic regulators are all small shops/offices without the same degree of specialized knowledge/expertise that the larger provincial regulators have thanks to their greater resources, there is an opportunity for CAFII to sow some seeds and reap some dividends by investing in relationship-building with these smaller regulators through periodic educational, face-to-face liaison meetings. While they represent provinces with small populations, they still have an influential voice and an equal vote at the CCIR table.
- Craig Whalen is taking on a lot of responsibility for insurance regulation in Newfoundland, although Doug Connolly is still in charge from a titular viewpoint.
- There was a key announcement out of New Brunswick just this week, about the creation of a new Financial and Consumer Services Commission (FCSC) – as a one-stop shop for consumer information and industry regulation -- which includes responsibility for insurance regulation. Angela Mazerolle-Stephens remains Acting Superintendent of Insurance for the time being, but creation of the FCSC may cause that to change in the near future.
- David Weir, Deputy Superintendent of Insurance in New Brunswick, is one of the longest-serving in a provincial insurance regulatory role. He's a great guy and very professional. Definitely makes good sense for CAFII to channel its efforts to arrange a joint meeting in Atlantic Canada through him. "If I was CAFII, I'd definitely push hard to have that meeting this year and start building a relationship with the Atlantic Canada regulators." There's a real opportunity to educate and inform them, and increase their knowledge, understanding and appreciation of creditor's group insurance and ISI.

FSCO Initiative To Modernize Disciplinary Procedures For Insurance Agents and Adjusters

The reason why this project has been stalled since March is that there has been a "revolving door" of Policy Advisors in Minister of Finance Charles Sousa's office since his recent appointment (a parade of three different advisors with responsibility for insurance matters, in just a few months).

The most recent Policy Advisor was briefed by Phil and other FSCO senior executives a few weeks ago. Assuming a reasonable period of longevity by that Advisor in her role, the necessary briefing of and approval by the Minister should occur by no later than September, and this project should be back on the rails in the early Fall.

If delays beyond the early Fall are encountered/expected, Phil asked if CAFII might be willing to submit an official letter to FSCO stating that our Association is in support of the modernization proposals and is not averse to seeing the changes implemented forthwith, without a further consultation period. Other industry stakeholders would be asked to submit a similar letter.

I said that CAFII would be willing to consider FSCO's request for such a letter, if it became necessary, to help move this initiative forward into implementation.

IMF Visit To FSCO Re Compliance With IAIS' Insurance Core Principles

The IMF assessors completed their visit to FSCO a couple of weeks ago. Preparation and document submissions prior to the visit was extensive and exhaustive work. Phil said that it's nice to have it behind us now, so that we can reallocate some resources to other items in our 2013 Statement of Priorities.

Phil Howell Suggestion/Request Re Industry Complaint Statistics

Phil clarified that the complaint statistics request/suggestion he made at the October 25, 2012 liaison meeting in Toronto between CAFII Board representatives and CCIR members was exclusively related to travel insurance.

He said that CAFII could play an important leadership role by compiling travel insurance statistics and sharing them with regulators. There is a need to equip regulators with credible, big picture data that would put them in a position to respond authoritatively to the government attention that inevitably stems from media reports on travel insurance situations (typically stories reporting on one-off cases re denial of claim, “post-claims underwriting,” etc.)

Senior Leadership Change At the AMF

Louis Morisset is a very bright and accomplished guy, who is well known and highly regarded in Quebec and on the national and international stages as well. So he should be an excellent President and CEO as successor to Mario Albert. Louis is collegial and should be a pleasure to work with, just as Mario was and just as Patrick Dery is now as Superintendent of Solvency.

Julien Reid, Senior Director, Standards and Deposit Insurance, who was one of the four executives who met with a CAFII delegation on June 7, is another very bright and accomplished member of the AMF team.

Financial Consumer Agency of Canada (FCAC)

Phil hasn't heard any news about who might be appointed to succeed Ursula Menke as Commissioner of FCAC.

If Jim Flaherty does not remain as Minister of Finance following the Prime Minister's imminent Cabinet shuffle, then the initiative to appoint a “Financial Literacy Leader” at FCAC could well languish and wither on the vine. The Financial Literacy Leader initiative is very much a “pet project” of Minister Flaherty's, just as the National Securities Commission initiative is a pet project of his, dating from the time that he was Ontario's Minister of Finance.

Office of the Superintendent of Financial Institutions (OSFI)

Phil hasn't heard anything about who might be on the roster as potential successor to Julie Dickson. She has done a very good job in a challenging, demanding role.

Appointment of her successor may be several months away, as she'll be completing her term which runs until some point in 2014.

Insurance Brokers Association of Canada (IBAC)

Phil went out of his way to mention how much he enjoys his periodic meetings and encounters with Dan Danyluk, current CEO of IBAC. Phil likes Dan's zany, often self-deprecating (in spades!) sense of humour and the fact that he takes pains to frame and shape all IBAC communications from a consumer protection perspective.

Personal (Phil will be in attendance at CAFII Regulator Reception on October 8, 2013)

Phil will not be taking much summer vacation, but will be going to the Mexican Riviera for a week to attend his nephew's wedding. Phil's son is Best Man. The nephew is marrying an Australian woman and, given that family members will be going from distant/disperate parts of the world, they decided to have their wedding on the beach in Mexico.

For their next vacation, outside of the family duty trip to Mexico, Phil and his wife are looking forward to a cruise with another couple in November: two weeks in the waters and ports of Antarctica.

Appendix B

July 24, 2013

Dear Industry Members,

The members of CCIR have, for some time, been moving to take a more risk-based regulatory stance. This requires that we develop methods for pro-active market intelligence gathering. To be effective, regulators need to have a fulsome understanding of movement and change in the industry. This allows us to assess changing risks in the industry, thus facilitating our efforts to focus on higher risk areas. Regulators need to be aware of developments where the relationship between insurers and consumers may change including new products being developed, significant changes in underwriting criteria or claims adjudicating, changes in distribution methods, etc.

Recently CCIR members became aware of the introduction of some significant new products only after the products were already in the market, and then, not from the companies involved but from third parties. This lack of communication poses a risk to the companies if regulatory problems subsequently arise.

CCIR has debated how regulators can stay informed of changes in the industry. Unlike many countries, Canada has not in most cases embraced a regulatory regime requiring companies to obtain regulatory approval before introducing new products or making other significant changes to distribution models or other consumer interactions. CCIR members are not in favor of building such a regime, but this means that we must depend on industry to engage regulators voluntarily before new products or substantial changes are introduced.

Regulators consider that having in place a mechanism for companies to apprise regulators of significant changes before they are implemented would be a pro-active step and is aligned with the principle of being more risk-based regulators. Knowing beforehand what is about to take place would give regulators some time to consider the risks these changes may pose to insurers or consumers.

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CCIR members are looking for your suggestions on determining when changes are significant and need to be communicated to regulators and the best ways to make such communication as easy as possible. We are sensitive to companies' need to have assurance in any such process that their competitive secrets will be kept and that the process will not entail untoward delays.

We would expect that these significant changes may require additional research to be done by regulators for full understanding of inherent risks and may spark collective discussions at CCIR. One procedure for informing regulators could be to directly inform a CCIR Committee that would be set up for this purpose and would include a number of key regulators, (as well as advising the company's main regulator simultaneously). This procedure would eliminate the need to separately inform each of the jurisdictions where a company does business. Though CCIR is not a regulator, all the members are regulators and are all interested in this kind of collaboration.

We look forward to hearing other suggestions and working with industry associations and members to make this happen.

Sincerely,

Carolyn Rogers
Chair

CAFII Regulator Visit Report
Confidential: Not For Distribution

Regulator: CCIR
Date: September 26, 2013
Location: The Croissant Tree (for coffee), followed by BMO Insurance, 60 Yonge St., Toronto
Purpose: ***Pre-Consultation Discussion around CCIR's Third Party Administrators (TPA) Review Initiative***

Attendees:

CCIR: Harry James, Director, Policy Initiatives at B.C.'s Financial Institutions Commission, and Chair of CCIR's Agencies Regulation Committee (ARC); and Carol Shevlin, CCIR Policy Manager

CAFII: John Lewsen, BMO Insurance; and Brendan Wycks, CAFII Executive Director

We met with Harry James and Carol Shevlin from about 9:05 a.m. to 10:20 a.m. We had a productive exchange in which John and I did as much listening and asking questions for information and clarification – re the motivation for the TPA Review and the direction they're going in – as we did talking and answering Harry and Carol's questions.

We weaved into the conversation most of the Key Messages found on pages 1-2 of "*Briefing Document For CAFII Pre-Consultation Discussion With CCIR Re Agencies Regulation Committee's 'TPA Review' Initiative.*"

Harry James did about 75% of the talking overall, and about 90% of the talking on CCIR's side of the table.

Background to CCIR's TPA Review Initiative

This meeting was part of the ARC's pre-consultation phase of its TPA Review; and the Review itself constitutes the next phase in CCIR's efforts to understand the role of intermediaries in the industry, with a view to being better positioned to provide regulatory monitoring and oversight of outsourced relationships, as appropriate.

Harry James advised that in 2009, CCIR identified that there had been increasing use of third parties (both MGAs and TPAs) on both the general and life sides of the insurance industry.

CCIR became concerned that the existing regulatory model might not be well set-up and not adequately equipped to oversee such use of third parties. So it was decided to undertake reviews of the use and oversight of both MGAs and TPAs. If the reviews identified significant issues from a regulatory perspective, it would be a question of how to address them.

The ARC's initial work was done on the MGA channel in the life industry. The process included a pre-consultation/fact-finding process; a position paper to which industry stakeholder submissions were invited; and concluded with a report with guidelines. The second and final phase of the MGA Review initiative will be a review of MGAs on the p&c side of the industry.

The plan is to follow much the same model and sequence for this review of TPAs on the life side of the industry. However, the ARC will need to determine if it needs to segment Group Life & Health, Creditor's Group Insurance; and Travel Insurance into three discreet segments, or if it can deal with this TPA Review as one aggregated whole.

Some Regulatory Concerns/Issues Behind the TPA Review

- issue of Self-Insured Employee Benefits Plans. Self-insured plans have generally been “carved out” and are exempt from regulation. Is that appropriate from a regulatory and consumer protection perspective?
- travel Insurance: at what point in time is the insurer involved in decision-making given the prevalent involvement of Travel Assistance Providers.

There is also the issue of pure “marketers” of travel insurance, in which an insurer simply lends/gives away their name to a marketer and allows them to run every aspect of the program (eg. recently defunct Ingle Insurance, a pure marketer of travel insurance that had raised much regulatory concern). These are arrangements that seem to be designed to keep regulators at bay. This type of model is a big concern for us as regulators as the consumer can't get through to the insurer behind the product and they aren't even informed as to who the insurer is and that a complaints resolution process exists.

TPAs in Creditor's Group Insurance

Harry James said that it is the regulators' understanding that it's a typical model for a CGI provider to use a third party call centre to handle enrolments in the group insurance product.

We indicated that some CAFII member FIs do use third party call centres.

John Lewsen noted that a lot of the enrolment in CGI is done as part of the card activation process. And that mortgage life/disability insurance enrolment is made at the time of mortgage signing.

Based on comments made by Harry James, it became apparent that a current focus of concern for regulators is CGI marketed in association with retailers' credit cards. He indicated that enrolment and then the ongoing administration of the product were both issues of concern with respect to retailers' credit cards. He also commented that “solutions from 20 years ago may not be appropriate today.”

Carol Shevlin added to Harry's remark by saying “Yes, nowadays it's typically Chase Bank behind a retail credit card, but it wasn't always so.” (Interpretation by B. Wycks: Given that there is a solid, reputable bank entity behind retail credit card CGI these days, issues/problems from the regulator's perspective may not be as much of concern as they were in the past, but some issues still do exist with this product.)

Harry then commented more specifically on regulator concerns with respect to third party outsourcing relationships in CGI.

He specifically mentioned Assurant Solutions, noting that they have a product that they allow others to “brand” and run with. Assurant seems to be in Harry’s sights because he feels that they are getting into Creditor Insurance partnerships with a wide array of players (Leon’s/The Brick was mentioned and “any manner of layaway financing”)**.

Harry also talked about car dealer CGI a lot, as an example of a marketplace situation that concerns him as a regulator. He characterized Leon’s/The Brick-type CGI and car dealer CGI as

- relationship between the insurer and the marketer seems to be loosey, goosey;
- the insurer behind the product is not clearly disclosed to the consumer;
- the complaints handling and escalation process is not clearly disclosed to the consumer;
- he’s not convinced that the insurer is doing adequate “due diligence” on the group policyholder, and wonders whether a robust contract is in place, and whether adequate monitoring/oversight is being done once the arrangement is in place; and
- the insurer seems to be simply “lending/giving away their product” and then taking a hands-off approach (Carol said this, in support of Harry’s point) without adequate control and oversight.

Beyond Assurant Solutions, Harry also said that there is one other CAFII member (un-named) that is involved in CGI with car dealers around the financing for a car purchase/lease, and certain aspects of that business relationship (around the sales/enrolment process, and lack of full disclosure) concern him as a regulator. He said it’s quite often not clear to consumers and to regulators who is behind the product?; and who is issuing certificates?

Towards the end of our discussion, Harry James shared the details of the payday loan company CGI situation that had been causing BC’s FICOM a lot of concern recently. He said that a particular payday loan company was not screening out people who were self-employed even though they were ineligible for coverage. After nine months of regulatory oversight and intervention, that company ultimately entered into a Voluntary Undertaking with FICOM. But then that company got acquired; and a month after being bought out, the company got out of that line of business.

Harry said that regulators are very interested in and potentially concerned by “how do such products get to the payday lender/mortgage broker, etc.?”

“These products could be part of the model that a couple of your members are involved in.”

As we wrapped up the meeting, we agreed that

- given that the primary focus of the TPA Review is Group Benefits Plans, the Review is “out of scope” for CAFII for the most part. CAFII therefore shouldn’t feel obligated to participate in the formal part of the Review to come, especially given that all CAFII members are also part of CLHIA, which will be addressing the Creditor’s Group Insurance and Travel Insurance components of the Review; and
- that said, if CAFII feels that we have a point-of-view on the Use and Oversight of TPAs in CGI and Travel that is distinctive from CLHIA’s, then we should certainly participate and submit our views on those components during the formal consultation process.

Harry even went so far as to say “You may want to encourage the two CAFII members that are involved in outsourcing arrangements that are of concern to us – ie. Assurant Solutions and the other member that’s involved with car dealer CGI – to engage with us directly, rather than burdening all of the other members with getting involved as an Association.”

*** B. Wycks subsequently spoke with John Poolman of Assurant Solutions and passed on the comments and observations made by Harry James. John indicated that Assurant is not the insurer behind the Leon’s/The Brick CGI product, and that Assurant would follow-up directly with Harry to correct his mis-information. An internet search indicates that the insurer behind the Leon’s/The Brick product is Trans Global Life Insurance Company (TGLI).*

**Briefing Document For CAFII Pre-Consultation Discussion With CCIR
Re Agencies Regulation Committee's "TPA Review" Initiative**

Definition of Third Party Administrator From Carol Shevlin:

"We haven't defined TPA yet – and may not, depending on what we learn. For now, we generalize them as non-insurers who either stand between an insurer and an insured to perform one or more policy administration functions, or administer benefit plans directly for employers or Trustees."

CAFII General Key Messages

Definition of Third Party Administrator

An entity that offers administrative services related to insurance. Typically, the policyholder hires a TPA. Responsibility for overseeing the TPA's activities typically resides with the policy holder, but may reside with the insurer, depending upon the functions the TPA performs and the contractual terms.

Definition of Service Provider

A third party that may be hired by either the insurer or the policyholder to provide special expertise services beyond general administrative services. Oversight of a Service Provider's activities is the responsibility of the insurer or the policyholder, depending upon the contractual terms. The Service Provider can be regarded as an extension of the insurer or the policyholder and subject to the same rules and regulations that apply to the insurer or policyholder. With respect to the business model for Creditor's Group Insurance offered by CAFII members, the policyholder (CAFII member FI) can be regarded as a Service Provider to the insurer.

- Use of TPAs in Creditor's Group Insurance and Travel Insurance offered by CAFII member Financial Institutions is very limited. In most cases, all consumer contact and administrative services are handled by either the policyholder (CAFII member FI) or the insurer. Some CAFII members use a third party Service Provider and their highly trained and monitored staff for their Call/Contact Centre function.
- As Financial Institutions, CAFII members involved in Creditor's Group Insurance and Travel Insurance are regulated entities that adhere to federal (Bank Act, OSFI, FCAC) and provincial insurance regulations.
- Creditor's Group Insurance and Travel Insurance are authorized products under federal legislation and regulations, and also governed by Incidental Sales of Insurance (ISI) regimes in several provinces.
- Insurers and policyholders are responsible for oversight of any functions that they may outsource to a TPA or Service Provider. When they do use an outside provider, they comply with relevant outsourcing guidelines (eg. OSFI Guideline B-10, Outsourcing of Business Activities, Functions and Processes)
- CAFII members authorized to distribute Creditor's Group Insurance and Travel Insurance have well-established practices for handling consumer complaints, which meet all federal and provincial regulatory requirements. This includes providing website instructions on how to file a complaint. Typically, consumers deal directly with the CAFII member financial institution when they have a complaint related to creditor's group insurance or travel insurance. As in the case of insurers, CAFII members are able to provide regulators' contact information to consumers upon request.

- CAFII members provide complete, transparent disclosure so that consumers can assure themselves that they are dealing with a legitimate, regulated entity.

Key Messages Re Use and Oversight of TPAs and Service Providers in Creditor’s Group Insurance

- In Creditor’s Group Insurance, the policyholder typically handles all administrative functions. While the policyholder could engage a TPA to perform some or all of these functions on its behalf, that is very much the exception among CAFII members.
- The policyholder does not perform claims adjudication. The policyholder may process the payment of claims, but only on instructions from the insurer.
- Some CAFII members, as the policyholder in Creditor’s Group Insurance, use a service Provider for their Call/Contact Centre, to field calls and “Click to Chat” internet inquiries from consumers. In cases where this outsourcing exists, oversight is provided through contractual terms; scripts; call/session monitoring; and onsite audit visits. Contracts are reviewed periodically, typically every one to two years.

Key Messages Re Use and Oversight of TPAs and Service Providers in Travel Insurance

- Travel Insurance is a very unique form of insurance. Servicing travel insurance policies and administering out-of-country coverage requires round-the-clock availability and a specialized skill set that includes detailed knowledge of the complex healthcare systems throughout the world and an international network of medical providers.
- Insurers and policyholders – ie. CAFII member FIs in the case of the travel insurance they offer – outsource some of these activities to Service Providers known as Travel Assistance Providers.
- CAFII agrees with and supports all of the points made by CLHIA with respect to Travel Assistance Providers in its recent report on “Third Party Administrators in Life and Health Insurance” submission to CCIR.
- One further example of an “on the ground” service to consumers which a Travel Assistance Provider may outsource to another party is “repatriation to home country.”

Questions/Issue Raised By Carol Shevlin In Preparation For TPA Review Pre-Consultation Discussion

We would be interested in knowing the details of the arrangements that insurers have with TPAs, for instance:

- Who initiates the arrangements? We understand that there are TPAs who develop a product and then search out an insurer to underwrite it. Have any of your members seen this happen or are these all outsourcing arrangements where the insurer has a product that they contract with a TPA to administer?
- What processes are in place to oversee the work of the TPA? Onsite visits? Audits?
- How often are the contracts reviewed?

I note here that our expectations for outsourced work will likely resemble those that we have outlined for MGAs, so, if you could review those in this light and comment, it might save some time. For example,

- What procedures are in place for escalating consumer complaints?
- What disclosure is there to consumers on identification of the insurer, complaint escalation, etc.?
- One issue that's on the ARC's mind is that *we understand that there are some situations out there where small life agents who are looking to land a contract are simply buying some administration software and then claiming to have experience/expertise in this area and saying "We can handle administration for you." We'd like to find out if that sort of situation is really out there. Is that really going on?*
- Timelines: At the CCIR Fall meeting (October 2-4 in Ottawa), the ARC wants to be able to say to the Council that "We've got some preliminary information on this, in a short report (based on CLHIA's pre-consultation submission)." And then we'll be able to come back to the Council during its Winter conference call (February 2014) with a Draft Consultation Paper, which would likely then be released shortly thereafter. So it's still early days. CAFII hasn't been forgotten or left out. There's still plenty of time and opportunity for you to get involved in the TPA Review consultation and make your views known.

B.C. regulator set to issue guidance for insurers when dealing with MGAs

By Donna Glasgow - 2012-11-23 , The Insurance & Investment Journal

British Columbia's Financial Institutions Commission (FICOM) is preparing to issue guidance for insurers outlining its expectations of the systems and controls they should have in place when working with managing general agencies.

During an interview on Nov. 2, Harry James, FICOM's director, policy initiatives, told The Insurance and Investment Journal that this guidance will be released "fairly shortly" and stems from the recommendations made in a position paper adopted in September by the Canadian Council of Insurance Regulators (CCIR) concerning the MGA channel.

Mr. James says he believes that other provincial regulators are also planning action as they follow up with the recommendations of this paper which was first released for comment in May 2012 under the name The Managing General Agencies (MGAs) Distribution Channel in the Life Insurance Industry. After a period of feedback, it was accepted by the CCIR without amendment, except that it was given a new name Strengthening the Life MGA Distribution Channel. This paper was released publicly on the CCIR's website Nov. 6.

The appendix of the position paper gives examples of regulatory expectations. The paper states that these controls and systems would incorporate four core principles:

- a clear strategy for selecting, appointing and managing MGA arrangements;
- thorough due diligence of each MGA prior entering into the arrangement;
- well defined roles and responsibilities with a written agreement in place; and, lastly,

- active oversight. This means that an insurer proactively manages MGA contracts once in place to ensure compliance with contract conditions.

FICOM which regulates insurers will work in conjunction with the Insurance Council of British Columbia on its guidance initiative. The Council will provide guidance to the MGAs.

From 12 to 18 months after the issuance of its guidance, FICOM may undertake random, on-site reviews to evaluate insurers' systems and controls over MGAs.

These "market conduct assessments" would be targeted to find out what insurers have done to implement better oversight and controls, says Mr. James.

This fall, Mr. James, took over the role of chair of the CCIR's Agencies Regulation Committee (ARC) which drafted the position paper. Doug McLean, B.C.'s deputy superintendent of Financial Institutions has stepped down from this role to take on other roles within the CCIR.

The ARC committee is made up of representatives from five jurisdictions, as well as from the Canadian Insurance Services Regulatory Organizations (CISRO). The jurisdictions represented on the ARC committee are: B.C., Alberta, Manitoba, Ontario and Quebec.

When it posted the adopted position paper on its website in November, the CCIR also included a letter to stakeholders which stated that "the CCIR hopes and expects that the industry will adopt the best practices outlined in this paper. This may be done voluntarily through industry guidelines and codes of practice."

Mr. James says that throughout ARC's review of the MGA channel, there has been a "high degree of cooperation and collaboration from the industry." He also believes that the industry is already integrating the position paper's recommendations.

"I believe the industry has embraced those positions and is actively taking steps to improve their business practices."

Mr. James adds that one of the functions of the ARC committee is to follow up with other jurisdictions to see what actions they are taking, but it is up to the individual jurisdictions to determine what action they wish to take based on their own needs.

The ARC committee is now gearing up to review the role and functions of Third Party Administrators (TPAs) in the industry.

From Cassels Brock law firm Web Site

To assist in the implementation of the best practices, FICOM has developed six core principles. These six core principles are summarized below.

<i>Principle #1:</i>	A life insurer must have a clear strategy for selecting, appointing, and managing an MGA as part of its overall distribution plan. This strategy should be applied consistently across all MGA arrangements and needs to be reviewed and updated regularly.
<i>Principle #2:</i>	A life insurer must carry out thorough due diligence of each MGA prior to entering into the arrangement to provide services.
<i>Principle #3:</i>	A life insurer must have an effective written agreement in place with each MGA. This agreement must define clearly the conditions, scope, and limits of contracted services. This agreement should be reviewed and, if necessary, updated at least annually.
<i>Principle #4:</i>	A life insurer must proactively manage the MGA relationship once its arrangement with an MGA is in place, including managing compliance with the contractual conditions of the agreement discussed at <i>Principle #3</i> . Insurers are expected to address all issues relevant to managing the risks associated with the use of MGAs to the extent feasible and reasonable, given the circumstances and having regard to the interests of the policyholders.
<i>Principle #5:</i>	A life insurer must ensure that any agent distributing its products in British Columbia has been screened for suitability and is subject to ongoing monitoring for suitability.
<i>Principle #6:</i>	All regulated parties are responsible to report misconduct; however, the insurer and the MGA do not need to report the same incident. The obligation to report misconduct to the insurer should be set out in the MGA-insurer agreement and the obligation for the insurer to report to the regulator is to be respected at all times.

FICOM acknowledges that the ways in which life insurers meet these six principles may vary, depending on the specific arrangements and relationships with different MGAs.

The Draft Guideline also includes standards, which set out specific policies and procedures that underpin the six core principles. These standards are set at a level that FICOM expects can be adopted and substantially implemented by every life insurer.

Comments on the Draft Guideline should be sent to Harry James, Director, Policy Initiatives at insurance@ficombc.ca by **July 26, 2013**.

COMMENTARY

In its final form, the Draft Guideline will impose upon life insurers a higher degree of responsibility when it comes to the selection, oversight, and control of the MGAs through which their individual life insurance products are sold. Life insurers will be required to take a more active role in identifying suitable MGAs and monitoring these relationships to ensure continuous compliance with the final form of the Draft Guideline. In practical terms, life insurers will be required to devote more energy and resources to developing and maintaining policies and control systems to ensure compliance.

Ontario already requires that insurers have in place a compliance system to screen agents for suitability and report unsuitable agents. To comply with this requirement, insurers have used as a guide the Canadian Life and Health Insurance Association's *Guideline G8: Screening Agents for Suitability and Reporting Unsuitable Agents* ("CLHIA Guideline"); however, some life insurers' compliance systems based on the CLHIA Guideline for use in Ontario may not be robust enough to comply fully with the Draft Guideline. For instance, where the CLHIA Guideline simply lists situations that would make an MGA unsuitable, the Draft Guideline provides a more robust list of due diligence considerations. In addition, where the CLHIA Guideline is largely silent on the required contents of an insurer's agreement with an MGA, the Draft Guideline provides a detailed list of what should be included in such agreements. Also, the Draft Guideline includes greater detail as to the elements that should be included in the ongoing monitoring process of an MGA.

The degree of onus placed upon life insurers as proposed by the Draft Guideline is similar to the onus placed upon federally regulated entities under the Office of the Superintendent of Financial Institutions Canada's *Guideline B10: Outsourcing of Business Activities, Functions and Processes* ("OSFI Guideline") in respect of certain outsourced functions. Whereas the outsourcing to agents and brokers of the sale of individual life insurance policies is exempt from OSFI Guideline, federally regulated life insurers will have to comply with the final form of the Draft Guideline in respect of these arrangements in British Columbia.



September 30, 2013

Mr. Jim Fox
Senior Policy Analyst
Licensing and Market Conduct Division
Financial Services Commission of Ontario
5160 Yonge Street, Box 85
Toronto, ON M2N 6L9

**RE: Modernizing Disciplinary Hearings for Insurance Agents and Adjusters in Ontario:
A Proposal for Consultation**

Dear Mr. Fox:

I am writing to you on behalf of the Canadian Association of Financial Institutions in Insurance (CAFII) with respect to *Modernizing Disciplinary Hearings for Insurance Agents and Adjusters in Ontario: A Proposal for Consultation*.

CAFII commends FSCO for undertaking a timely and thoughtful consultation on *Modernizing Disciplinary Hearings for Insurance Agents and Adjusters in Ontario: A Proposal for Consultation*.

We appreciate the opportunity to comment on this proposal. We also appreciate the fact that FSCO took the time to meet with our Association and other industry stakeholders about it -- both in February for an initial discussion of principles and concepts behind the initiative; and again in early September, after the consultation document was released in August.

We have framed our comments and suggestions in italics below, in response to the Questions set out on page 8 of the consultation proposal.

1. Would the substitution of the Financial Services Tribunal (FST) model for the Advisory Board (AB) model provide a more fair and streamlined disciplinary process for insurance agents and adjusters?

CAFII agrees that the FST model would be superior to the current AB model. The AB model seems to be a disjointed, two-stage process that gives rise to blurred accountabilities and, in cases where the Superintendent sees fit to exercise his new authority to impose an Administrative Monetary Penalty (AMP), the possibility of an inconsistent and embarrassing situation in which two separate but related tribunals might reach different conclusions/decisions on the same set of facts.

CAFII supports FSCO's proposal to modernize disciplinary hearings for insurance agents and adjusters by moving to an FST model, as doing so would

- *Align the disciplinary hearings process with modern principles of administrative law and natural justice/fairness;*
- *Create a more streamlined and efficient process;*

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- *Eliminate unnecessary costs incurred under the current model, save time, and avoid inconsistency; and*
- *Create harmonization and consistency with the disciplinary hearings process in use in other financial services sectors under the Superintendent's regulatory authority.*

In this connection, CAFII has been consistent in its support of AMPs as an enforcement tool, provided that regulatory guidelines make it clear that they will be used to address persistent transgressions rather than an inadvertent error.

2. Does the proposal to clarify the Superintendent's authority to issue interim orders achieve an appropriate balance between protecting consumers, and providing agents and adjusters with access to justice?

CAFII agrees that granting the Superintendent the authority to issue interim orders – in cases where there would be a risk of harm to the public if there was any delay – would be a prudent, modernizing reform that would achieve an appropriate balance between consumer protection, on the one hand, and insurance agents' and adjusters' right to fairness and justice on the other hand.

However, we have the following question with respect to this proposed change:

- *What criteria will be used to determine that there is an imminent risk of harm to the public?*

These criteria should be published, at least on a broad brush basis, so that both the public (and media) and the insurance agent and adjuster community will have a basis for knowledge and expectations in this area. Such publication will also help avoid or minimize perceptions of arbitrariness or capriciousness in cases where the Superintendent imposes an interim order on an agent's or adjuster's licence, which will compromise his/her livelihood.

3. Are there any other factors that the Superintendent should consider when approving licence surrender requests from agents and adjusters?

CAFII supports FSCO's modernization proposals with respect to Surrendering of a Licence.

That said, in addition to the factors itemized on page seven of the consultation proposal, CAFII recommends that the following factor be considered as a possible addition:

- *Has the licensee been diagnosed with a serious medical condition and/or become mentally or physically incapacitated?*

4. Any other relevant feedback or input for FSCO?

We find that the future model proposed for agent and adjuster disciplinary hearings is analogous to and closely parallels the best practices of many leading professional Associations, including Chartered Professional Accountants of Ontario (formerly Institute of Chartered Accountants of Ontario), but with appropriate customization tweaks for a regulated financial services sector.

That said, we have a few suggestions for FSCO's consideration:

- *As part of the modernization process and resulting legislative/regulatory change, you may want to review the terms and conditions related to the "complaints process" that may give rise to an FST hearing and, similarly, review existing communications around complaints protocol details.*

By that, we mean reviewing and clarifying who may initiate a complaint, the step-by-step process that must be followed, complaints escalation, etc.

- *FSCO may want to consider whether access to the services of the Ontario Ombudsman (an Office of the Legislature) is an optimal avenue of recourse for an unsatisfied complainant – ie. a party unhappy that FSCO, after investigating his/her complaint, has decided not to issue an NOP against an agent or adjuster – or whether an “Independent Reviewer of Complaints” mechanism might be more appropriate. This would be akin to the Reviewer of Complaints process utilized by Chartered Professional Accountants of Ontario in its Standards Enforcement and Disciplinary Procedures.*
- *CAFII recommends to FSCO, for review/reflection and benchmarking purposes, the Chartered Professional Accountants of Ontario document **Standards Enforcement and Disciplinary Procedures: Information For Complainants, Members, Students, Professional Corporations and Firms**, found at <http://www.icao.on.ca/Public/ComplaintsProcess/1013page14067.pdf>*

CAFII commends FSCO for the well-thought out improvement proposals set out in the *Modernizing Disciplinary Hearings for Insurance Agents and Adjusters in Ontario* document. Our Association is generally in agreement with and supportive of all of the recommendations set out therein.

CAFII appreciates the opportunity to comment on this important modernization initiative of FSCO's, and we look forward to continued communication and input on policy matters. We would be pleased to meet with FSCO representatives to discuss our feedback in more detail. Should you wish to arrange a meeting for that purpose, please contact Brendan Wycks, our Executive Director, at brendan.wycks@cafii.com or 647-218-8243.

Yours sincerely,



Jennifer Hines
CAFII Secretary and Chair, Executive Operations Committee

About CAFII

The Canadian Association of Financial Institutions in Insurance (CAFII) is a not-for-profit industry Association dedicated to the development of an open and flexible insurance marketplace. CAFII was established in 1997 to create a voice for financial institutions involved in selling insurance through a variety of distribution channels. CAFII members provide insurance through client contact centres, agents and brokers, travel agents, direct mail, branches of financial institutions, and the internet.

CAFII believes consumers are best served when they have meaningful choice in the purchase of insurance products and services.

CAFII is currently the only Canadian Association with members involved in all major lines of personal insurance. CAFII's full members are the insurance arms of Canada's major financial institutions – BMO Insurance; CIBC Insurance; Desjardins Financial Security; National Bank Insurance; RBC Insurance; ScotiaLife Financial; and TD Insurance – along with major industry players American Express, Assurant Solutions, and Canadian Premier Life Insurance Company.

In addition, CAFII has 10 Associate members that support the role of financial institutions in insurance.

CAFII members offer travel, life, health, property and casualty, and creditor's group insurance. In particular, creditor's group insurance and travel insurance are the product lines of primary focus for CAFII as its members' common ground.

CAFII's diverse membership enables our Association to take a broad view of the regulatory regime governing the insurance marketplace. CAFII works with government and regulators (primarily provincial) to develop a legislative and regulatory framework for the insurance sector that helps ensure Canadian consumers get the insurance products that suit their needs. Our aim is to ensure appropriate standards are in place for the distribution and marketing of all insurance products and services.

CAFII Regulator Visit Report
Confidential: Not For Distribution

Regulator: FSCO
Date: September 6, 2013
Location: FSCO Offices, 5160 Yonge St., Toronto
Purpose: *Follow-up Discussion Re Draft Online Survey of Licensed Life Agents and Related/Underlying Sales Process Flowchart Related to FSCO's Life Insurance Product Suitability Review*

Attendees:

FSCO: Adrienne Warner, Market Intelligence Consultant and Project Lead; Reena Vora, Manager, Market Conduct Compliance Unit, Market Regulation Branch; and three other staff from Market Regulation Branch (Anatol Monid, Director, not in attendance)

CAFII: Sue Manson, CIBC Insurance; Fay Coleman, TD Insurance; John Lewsen, BMO Insurance; Jason Beauchamp, RBC Insurance; and Brendan Wycks, CAFII Executive Director

In July, FSCO met with CAFII and other stakeholders in order to obtain a benchmark and a clearer understanding of the best practices for determining product suitability during a typical sales meeting with a client around Individual Term Life, Universal Life, and Whole Life (defined scope for this Review.) FSCO also considered stakeholders' views on the best approach to measure what actually happens at the point of sale and the agent's role in supporting the financial literacy of their clients.

FSCO then prepared a draft online survey questionnaire and a sales process flow chart, based on the information received during its July consultation meetings as well as industry practices described in *The Approach: Servicing the Client Through Needs-Based Sales Practices*, which was developed collaboratively by Advocis, the Canadian Association of Independent Life Brokerage Agencies (CAILBA), the Canadian Life and Health Insurance Association (CLHIA) and Independent Financial Brokers (IFB).

The purpose of this follow-up meeting on September 6 was to allow FSCO to engage further with CAFII, to validate the assumptions in the flowchart and to receive feedback on the form and content of the questionnaire.

In the meeting, CAFII representatives provided substantive commentary and suggestions for improving both the flowchart and the survey questionnaire. FSCO representatives seemed well-pleased with the breadth, depth and relevance of the feedback provided. As requested, Brendan Wycks e-mailed a copy of his feedback summary to Adrienne Warner following the meeting.

Thereafter, on Monday, September 30, FSCO contacted CAFII again about the Life Insurance Product Suitability Review. In a teleconference the next day between Anatol Monid and Adrienne Warner of FSCO and Sue Manson and Brendan Wycks of CAFII, FSCO made two requests of CAFII members:

- (a) Given that the Review focuses only on sales of individual Term Life, Universal Life and Whole Life in a face-to-face, across-the-kitchen-table setting, for the purposes of its upcoming online survey of a random sample of life agents in the province, FSCO wants to minimize the number of licensed Call Centre Agents that are in the “universe” of potential respondents to the survey.

FSCO is therefore asking CAFII members if they would like to indicate their preference to have the Call Centre Agents whom they sponsor removed from the universe of possible respondents to the online survey. (If an agent is chosen as part of the random sample of survey respondents, completion of the survey will be mandatory, under a directive from the Superintendent.)

To respond affirmatively to this FSCO request, a CAFII member simply needs to indicate the name of the company(ies) under which their group(s) of licensed Call Centre Agents have been sponsored. FSCO will then exclude from the universe all life agents sponsored under that company name, as this is an “all or nothing” proposition.

FSCO needs an answer back on this by Friday, October 4 as it is preparing to select its random sample of agents for survey completion. The online survey will be in the field and open for completion from October 15 to November 14.

If FSCO does not receive an indication that a given group of sponsored Call Centre Agents should be excluded from the universe for the online survey, then it will include that group for possible selection when the random sample is generated shortly after Friday, October 4.

- (b) Since FSCO will also be doing some “focused meetings” with selected licensed life agents as part of the Product Suitability Review – to validate the data and the best practices insights generated by the online survey – they are inviting each CAFII member to put forward the name(s) of one or two agent(s), with the permission of those agents, whom they recommend for consideration as a subject for a focused meeting.

What FSCO is looking for here is agents involved in face-to-face sales of individual Term Life, Universal Life and/or Whole Life whom the CAFII member consider to be a “paragon of best practices” in terms of product suitability.

The 18 to 20 agents who’ll be handpicked for a focused meeting will be excluded from possible selection in the random sample of agents who’ll be required to complete the online survey.

This is a courtesy request only and CAFII members need not feel obligated to recommend one or two agents for a focused meeting.

However, if you do have one or two “paragon of best practices” agents to recommend, FSCO needs to have those names by Friday, October 4, as the focused meetings will be conducted during the same October 15 to November 14 period that the online survey is in the field.

Brendan Wycks received responses from three CAFII members and relayed that information to Adrienne Warner at FSCO by the deadline of Friday, October 4.

FSCO plans to publish a best practices paper reflecting the findings of the Life Insurance Product Suitability Review. Stakeholders will have an opportunity to comment on the paper prior to publication.

CAFII Regulator Visit Plan 2013¹

updated October 3, 2013

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
British Columbia	Insurance Council of BC: Gerry Matier, Exec. Dir.	X	-Update on Council priorities -Maintain and strengthen relationship	S. Gelgor J. Lewsen R. Beckford T. VanMeggelen B. Wycks	Invite when in Toronto	Five CAFII reps had liaison lunch meeting with G. Matier in Toronto on May 15, 2013; covered range of topics in CAFII Briefing document
	Financial Institutions Commission(FICOM): Carolyn Rogers , CEO, FICOM & Superintendent of Insurance (CCIR chair); Doug McLean, Deputy Superintendent	X	-update on FICOM priorities -Maintain and strengthen relationship (-CAFII has decided not to submit a formal response to FICOM's summer 2013 Consultation on Use of Managing General Agents, as that is not CAFII members' distribution channel.)		Surrey, BC When Carolyn is in Toronto; or CAFII Board member in Vancouver	-Targeted networking with C. Rogers occurred during CAFII 15 th Anniversary event on April 10, 2013; and at CLHIA Compliance Conference in Vancouver in May 2013 -J. Lewsen and B. Wycks met with Harry James, of FICOM and Chair of CCIR's Agencies Regulation Committee, and Carol Shevlin of CCIR on September 26, 2013 around CCIR's TPA Review initiative. Presented opportunity to have brief side meeting with Harry around BC/FICOM regulatory issues

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
Alberta	Alberta Insurance Council : Joanne Abram, CEO; Tom Hampton, Chief Operating Officer; Ron Gilbertson, Chair (2012-15)	X	-Update on Council priorities -Council Representation -Licensing for 3 rd party providers - Business number registration system -Maintain and strengthen relationship	S. Gelgor M. Gill J. Lewsen R. Beckford T. VanMeggelen	When Joanne or Tom is in Toronto; or CAFII Board member in Edmonton	Five CAFII reps met with J. Abram and R. Gilbertson in Vancouver on May 7, 2013; discussion captured in Regulatory Visit Report
	Ministry of Finance: Mark Prefontaine, Superintendent of Insurance Brad Geddes, Deputy Superintendent of Insurance		-Update on Superintendent's priorities -Maintain and strengthen relationship		When Mark is in Toronto; or CAFII Board member in Edmonton	Targeted networking with M. Prefontaine and B. Geddes occurred during CAFII 15 th Anniversary event on April 10, 2013 Effective June 27, 2013 Laurie Balfour became Deputy Superintendent of Insurance - Alberta. Brad Geddes has been seconded to the Government of Alberta's Flood Recovery Task Force as the Director of Stakeholder Engagement. This is for an indefinite period of time, likely for at least 6 months.
	New President of Treasury Board and Minister of Finance Doug Horner					

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
Saskatchewan	Sask. Insurance Council: Ron Fullan, Chair	X	-Update on Council priorities -Council Representation -Maintain and strengthen relationship		Invite when Ron is in Toronto	Targeted networking with R. Fullan occurred during CAFII 15 th Anniversary Event on April 10, 2013, and during CLHIA Compliance Conference in May 2013. CAFII reps had breakfast meeting with R. Fullan on Monday, July 29, 2013 to discuss main themes in CAFII's Proposal For Restricted Licensee Representation in Sask.
	Financial and Consumer Affairs Authority, David Wild, Chairperson and Superintendent of Insurance; Ian McIntosh, Deputy Superintendent of Insurance		-Courtesy visit, Introduction of CAFII -Insurance Act Review, ISI; Council Representation -Maintain and strengthen relationship		When David or Ian is in Toronto; or CAFII Board member in Regina	
	Consultant (ex Superintendent) Jim Hall		-Update on Insurance Act review -Maintain and strengthen relationship		When Jim is in Toronto; or CAFII Board member in Regina	

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
Manitoba	Ministry of Finance: Jim Scalena, Superintendent	X	-Update of Insurance Act review and ISI regime -Maintain and strengthen relationship		Winnipeg	Targeted networking with J. Scalena, Superintendent, occurred during CAFII 15 th Anniversary Event on April 10, 2013; Manitoba's release of Draft ISI Regulation in early June 2013. CAFII responded with detailed submission. S. Moore, Deputy Superintendent, called B. Wycks on October 2, 2013 with detailed update on progress and timelines re Draft ISI Regulation. See Regulatory Update for October 8/13 Board meeting.
	Manitoba Insurance Council: Erin Pearson, Exec Director;	X	-Update on Council priorities -Restricted Certificate holder representation on Council -Maintain and strengthen relationship		When Erin is in Toronto; or CAFII Board member in Winnipeg	
	Ministry of Finance Minister Stan Struthers		Letter of introduction sent; include on a visit of CAFII Chair or other reps to Manitoba. Wait until issues with Insurance Act review are resolved			

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
Ontario	FSCO: Phil Howell, CEO & Superintendent	X	-Update on FSCO priorities -Maintain and strengthen relationship		Toronto	Targeted networking during CAFII 15 th Anniversary event on April 10, 2013. B. Wycks had Get Acquainted lunch meeting with P. Howell, at his request, on July 5, 2013. Insights gained captured in Regulatory Visit Report

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	<p>FSCO: Grant Swanson, Executive Director, Licensing & Market Conduct Division</p> <p>FSCO: Anatol Monid, Director, Market Regulation Branch</p>		<p>Consultation Proposal on “Modernizing Disciplinary Hearings for Insurance Agents and Adjusters”</p> <p>Industry consultation on “Life Insurance & Mortgage Broker Product Suitability Review”</p>			<p>On February 14, 2013, B. Wycks and Rosemary Troiani, RBC Insurance, met with G. Swanson, Isobel Scovino and Jim Fox around FSCO’s plans for Modernizing Disciplinary Procedures For Life Insurance Agents and Independent Adjusters</p> <p>Adrienne Warner of A. Monid’s team is “point person” for FSCO’s “Life Insurance & Mortgage Broker Product Suitability Review,” scope of which was narrowed to cover just term life, whole life, and universal life sales.</p> <p>CAFII reps participated in focus group discussion with A. Monid, A. Warner, and other FSCO reps on this matter on July 18, 2013. Follow-up discussion on draft survey of insurance agents occurred on September 6, 2013. FSCO issued two follow-up requests of CAFII member on Sept. 30/13 re removing Call Centre agents from universe for random sample for online survey; and recommending “paragon of best practices” agents for focused meetings.</p>

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	FSCO: Company Complaint Officer Day			-individual companies -CAFII Executive Director	Toronto November	FSCO's 6 th Annual Symposium for the Life and Health Insurance Sector will take place on Friday, November 22, 2013 from 8:00 a.m. to 12 Noon at Novotel in North York
Quebec	New AMF CEO effective July 2, 2013: Louis Morisset		-Update on AMF priorities -Maintain and strengthen relationship		When Louis is in Toronto; or CAFII Board member in Quebec City	R. Hebert, M. Gill, R. Beckford, I. Choquette, and B. Wycks met with Mario Albert, CEO; Eric Stevenson; Julien Reid; and Louise Gauthier in Quebec City on June 7, 2013 for a very productive/informative two hour lunch liaison meeting L. Morisset was invited by CAFII Board member L. Fiset to speak at CAFII Board meeting on October 8, 2013. Unable to accept. Will invite him to speak instead at an upcoming CAFII event.

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	AMF: Superintendent, Client Services and Distribution Oversight: Eric Stevenson	X				Targeted networking with E. Stevenson and P. Dery occurred during CAFII 15 th Anniversary event on April 10, 2013
	AMF: Superintendent of Solvency, Patrick Dery					
	AMF: Rendez-vous			-individual companies	Fall	The AMF's 8 th Annual Rendez-vous event has been scheduled for Monday, November 18, 2013 at the Palais des Congres in Montreal, beginning at 9:30 a.m.
New Brunswick	Superintendent (Acting) Angela Mazerolle-Stephens		<ul style="list-style-type: none"> -Update on Superintendent's priorities -Discuss /educate on creditor's group insurance (CGI) and Avalon; -Licensing issues, electronic licensing; Insurance Act Review Status; including consultation on "Opportunities for Reforming the Licensing Framework for Other-than-Life Agents and Brokers" announced in late August 2013 -Maintain and strengthen relationship -David Weir (Deputy Superintendent); Atlantic Taskforce on ISI (Chair) 		TBD Fredericton	Targeted networking with A. Mazerolle-Stephens, Acting Superintendent of Insurance; and David Weir, Deputy Superintendent of Insurance, occurred during CAFII 15 th Anniversary Event on April 10, 2013
	Consumer Advocate For Insurance, Ronald Godin		<ul style="list-style-type: none"> -Update on Consumer Advocate's priorities -Discuss /educate on creditor's group insurance (CGI) and Avalon -Build relationship 		When Ronald Godin is in Toronto; or CAFII Board member in Fredericton	

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
Nova Scotia	Superintendent Doug Murphy		-Update on Superintendent's priorities -Discuss /educate on creditor's group insurance (CGI) and Avalon; -Atlantic Taskforce on ISI -Build relationship		TBD Halifax	Targeted networking with D. Murphy occurred during CAFII 15 th Anniversary event on April 10, 2013
PEI	Superintendent Robert Bradley		Courtesy- Low priority for 2013 (only if CAFII Board member in Charlottetown) -Update on Superintendent's priorities -Build relationship		Charlottetown	Targeted networking with R. Bradley occurred during CAFII 15 th Anniversary event on April 10, 2013
Newfoundland	Superintendent Douglas Connolly		-Update on Superintendent's priorities -Discuss /educate on creditor's group insurance (CGI) and Avalon -Build relationship		St John's	Targeted networking with D. Connolly occurred during CAFII 15 th Anniversary event on April 10, 2013

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
Atlantic Canada	Joint Forum of Insurance Regulators		<ul style="list-style-type: none"> - Update on Superintendents' priorities -Discuss /educate on creditor's group insurance (CGI) and Avalon -Build relationships 		Moncton or Charlottetown ?	<ul style="list-style-type: none"> -M. Gill contacted David Weir, Deputy Superintendent of Insurance, New Brunswick, re prospect of CAFII having a Joint Meeting with all four Atlantic Canada insurance regulators in Fall 2013 - CAFII to make proposal for joint meeting with all Atlantic Canada insurance regulators in Fall 2013 or Spring 2014 -Such a joint visit to Atlantic Canada regulators was strongly encouraged by Phil Howell of FSCO
CCIR	Carol Shevlin, Policy Manager	X	<ul style="list-style-type: none"> -Annual lunch. Discuss priorities -Maintain and strengthen relationship 		Toronto	<ul style="list-style-type: none"> -B. Wycks had a Get Acquainted Lunch with C. Shevlin in January 2013; and is in regular contact with her -J. Lewsen and B. Wycks had meeting with Carol Shevlin and Harry James, ARC Chair, on September 26, 2013 around CCIR's TPA Review initiative

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	CCIR Executive		Meet when pressing issues or opportunistic meeting occasions arise.		October 29-30, 2013 in Toronto	Six CAFII Board members and Executive Director B. Wycks have “industry stakeholder meeting” with CCIR Executive on Wednesday, October 30 from 10:30 a.m. to 12 Noon. In addition to discussing industry issues, CCIR has invited CAFII to provide input for development of next CCIR Strategic Plan
CISRO	Ron Fullan Chair		-Update on CISRO priorities -Maintain and strengthen relationship -LLQP Modernization		-invite when in Toronto	B. Wycks has contacted R. Fullan to inquire if his travel plans and itinerary would allow for a breakfast, lunch, or coffee meeting around his trip to Toronto for CISRO LLQP Stakeholder Info Session on October 30, 2013.
Federal	Federal Finance		Educational – marketing of CGI			
	OSFI: Julie Dickson, Superintendent					
	OBSI: Doug Melville Ombudsman		Educational – marketing of CGI			

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	Financial Consumer Agency of Canada (FCAC)		Financial Literacy re insurance			<p>Ursula Menkes retired from FCAC Commissioner role at end of May 2013; Finance Minister Flaherty announced appointment of Lucie Tedesco as new Commissioner on September 4, 2013.</p> <p>A congratulatory letter from CAFII re appointment to be sent to Ms. Tedesco. Follow-up Get Acquainted meeting may be in order</p> <p>M. Gill had liaison lunch with FCAC contact in late April 2013; contact advised that FCAC is “not working on insurance at this time”</p>

CAFII Priorities by Committee – October 3, 2013

Executive Operations Committee

Membership: As per CAFII Bylaw 6.01. Sub-committees may strike taskforces drawing on expertise of other individuals associated with member companies.

Mandate	Activities	Issues of Interest
Recommend budget and priorities to Board	Draft and review Financial Reports	
Keep environment open to key products	Be aware of current and emerging issues (Regulatory Update).	
	Develop responses to regulatory initiatives. Forward to board for approval as necessary. Oversight of Distribution and Market Conduct Policy Committee (DMC)	Regulation of ISI
		International regulation of creditor products
		Market Conduct Regulation
		Electronic Commerce
		Provincial Insurance Act Reviews
		Quebec Distribution Guide
Keep environment flexible /efficient	Identify barriers to efficient operations. Oversight of Licensing Efficiency Issues Committee (LEIC)	Licensing Irritants
		Provincial Insurance Councils and CISRO issues, including LLQP
		Electronic licensing
		Multi-jurisdictional licensing/mutual recognition
Develop communication plans and tools	Oversight of Media and Advocacy Strategy Committee(MAC)	Communications strategy, CAFII Branding Advocacy Strategy Website
Build relationships with key stakeholders	Connect with regulators. Manage and conduct regulator visits. (Manage Regulator Visit Plan) Approve attendees at regulator meetings, review meeting notes and manage follow-up actions	
	Oversight of Networking and Events committee	
Other items	Continuance under new Canada Not for Profit Corporations Act (CNCA)	Articles of Continuance to be filed by October 26, 2014
	Changes to CAFII Management structure – development of Executive Director role	Executive Director hired effective December 2012; oversight of establishment of ED's role, its evolution and effectiveness

Distribution and Market Conduct Policy Committee

Membership: The committee will have 4 permanent members including 2 co-chairs all of whom are members of the EOC.

Co-Chairs: 1) Sue Manson CIBC 2) ? **Other members:** 3) Emily Brown BMO 4) John Poolman, Assurant

5) Andre Duval, DSF 6) Rose Beckford Scotiabank Financial **Mandate:** Oversee development of CAFII policy positions as directed by EOC. Oversee taskforces as required. Activities: Draft CAFII submissions, Manage and interpret industry research projects as approved by EOC

Item	Description	Activities Completed/Industry Developments	Status/Next Steps
Regulation of ISI	Quebec <ul style="list-style-type: none"> DWR (review of Insurance Act) 	<ul style="list-style-type: none"> CAFII members met with Eric Stevenson November 15, 2012 and with AMF staff executives on June 7, 2013 Insurance Act Overhaul/Re-write formally announced by Quebec Government on April 30, 2013 	<ul style="list-style-type: none"> Active
	Quebec <ul style="list-style-type: none"> Review of Distribution Guide 	<ul style="list-style-type: none"> CAFII input provided on Guide (e.g. signature, remuneration) through letter sent to AMF June 2012, meeting with Eric Stevenson on November 15, 2012 and follow-up letter sent to AMF Dec 2012 	<ul style="list-style-type: none"> Active EOC involvement and oversight Met with AMF in Quebec City on June 7, 2013 DMC proposes information session
International Regulation of Creditor Insurance	PPI IAIS Core Principles	<ul style="list-style-type: none"> Brendan reported on US and UK developments CAFII Project 	<ul style="list-style-type: none"> Active/Monitor ongoing Board approval received on June 11 to secure draft communication of project outcomes Post Implementation Review
		<ul style="list-style-type: none"> Subcommittee working on matrix of impact of Insurance Core Principles (ICPs) and international regulations 	<ul style="list-style-type: none"> EOC Input obtained Active
Industry Complaint Statistics		<ul style="list-style-type: none"> Subcommittee working on compilation of Industry Complaint Statistics 	<ul style="list-style-type: none"> EOC Input obtained DMC Subctte met on June 4 and 25, 2013
Consultations	FSCO life insurance product suitability review	<ul style="list-style-type: none"> FSCO has held consultation meetings with CAFII on this initiative in July and September 2013 	<ul style="list-style-type: none"> Having provided significant input through two meetings, CAFII will be consulted on final draft of survey of life agents, and on final report from Suitability Review

CAFII Priorities by Committee – October 3, 2013

Item	Description	Activities Completed/Industry Developments	Status/Next Steps
	E-commerce	<ul style="list-style-type: none"> CCIR and AMF – upcoming consultations 	<ul style="list-style-type: none"> Active with Release of CCIR E-Commerce Position Paper on May 23, 2013 CAFII submitted detailed response to CCIR E-Commerce Position Paper in July 2013
	Provincial Insurance Acts	<ul style="list-style-type: none"> Manitoba 	<ul style="list-style-type: none"> Draft ISI Regulations released on June 3, 2013; Licensing Committee to deal with this matter. CAFII submitted detailed response to Draft ISI Regulation in July 2013 Scott Moore, Deputy Superintendent, called B. Wycks on October 2, 2013 to provide detailed update on progress with and timelines for ISI Regulation
		<ul style="list-style-type: none"> Saskatchewan 	<ul style="list-style-type: none"> Watch
		<ul style="list-style-type: none"> Ontario 	<ul style="list-style-type: none"> Watch
Avalon Report Update	Survey members companies, update analysis and research	<ul style="list-style-type: none"> Comparison of creditor insurance on mortgages with term life and individual disability insurance: pricing, approval rates, claim approval rates, etc. 	<ul style="list-style-type: none"> Active Last conducted in late 2009/early 2010 on 2008 data DMC secured Board approval for refresh of this study, using 2013 data; to be conducted in late 2013 and first quarter of 2014. Avalon proposal and draft survey brought to EOC at September 24, 2013 meeting. Due to concerns, committee advised to negotiate with Avalon for better terms and also possibly to “shop” the Study

AMF Distribution Guide Task Force

(Task Force of Distribution and Market Conduct Policy Committee)

Members: Emily Brown, John Poolman, Rose Beckford, Moira Gill, Sue Manson

Purpose: Recommend changes to the AMF Distribution Guide based on the Mutual Fund Guide, customized for exclusion disclosure

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CAFII Priorities by Committee – October 3, 2013

Licensing Efficiency Issues Committee

Membership – 1 Chair who is a member of EOC and 3 members from representative companies.

Chair: Moira Gill TD 2) John O'Hoski Cdn Premier 3) Sara Gelgor, ScotiaLife Financial 4) John Poolman, Assurant 5) Greg Grant CIBC

Mandate: Identify and manage licensing efficiency issues for restricted and individual licensing processes.

Priorities	Issues	Currently active issues	Status
Licensing operation issues Streamlining and harmonizing licensing requirements (training, CE, other)	Request for restricted certificates for 3 rd parties Alberta	v	CAFII letter to the Council (2011). Council responded that they did not support the request. Committee decision to address the issue with the Council again in <u>year ?</u>
	CISRO project to redesign LLQP – project completion target Sept 2014		Quarterly Stakeholder Information Sessions being held by CISRO, incl. January 17/13 and April 9, 2013. Next Session to be held on October 30, 2013.
	Licensing process -streamlining and harmonization		Identification of issues ongoing
ISI regime implementation	Manitoba – issues to be resolved with implementing regulations		Included in Insurance Act Spring 2012 Letter sent in August 2012 -CAFII response to draft ISI Regulations sent in early July 2013. May require more detailed follow-up submission and a visit by a CAFII rep(s) to Jim Scalena, Superintendent of Insurance, and/or Scott Moore, Deputy Superintendent, in Winnipeg
Provincial Insurance Councils and CISRO issues	Opportunities to have restricted licensees represented or otherwise participate on Council discussed with Saskatchewan and Alberta. Committee identified a need for an analysis of options for BC, Alberta & Saskatchewan. Council representation needed	v	Legal assistance engaged and analysis of options underway. Meeting with AIC Jan 2012. Meetings with Sask. held Meeting with Manitoba held CAFII Concept Proposal For A Saskatchewan Insurance Councils' Restricted Insurance Agents Advisory Committee finalized in early October for EOC Review, and transmittal to R. Fullan on October 9, 2013

CAFIL Priorities by Committee – October 3, 2013

Electronic licensing	Promote use of electronic licensing systems by provincial regulators; possible use of “business numbers” to link		Letter of support sent to CISRO May 2012
Multi-jurisdictional licensing/ mutual recognition	Trade Agreements - promote mutual recognition (Ontario – Quebec, New West Partnership)		Attended trade agreement update meeting May 2012

Media and Advocacy Strategy Committee

Membership: The committee will have 4 permanent members including 2 co-chairs, all of whom are members of EOC. EOC chair is co-chair.

Co-Chairs: 1) Sara Gelgor 2) John Lewsen

Members: 3) Paul Yeung, 4) Moira Gill 5) Greg Grant

Resources: Leya Duigu, Brendan Wycks

Mandate: Identify key stakeholders and develop, recommend and implement communication and advocacy strategy. Oversee Cafil branding. Oversight of Media Response taskforce.

Areas of Interest: Underserved Market: Creditor Insurance (value proposition, disclosure); Counter broker lobby messages

Initiatives	Status/Explanation	Resp	Next steps
-Develop a Communications Strategy	-Update Communications Strategy: Cafil-branded “Regulatory Value Added Strategy” for website and regulator communication. Most materials exist but materials should be reviewed and recommendations made as to how to package and brand materials. Include concept of sending targeted messages to regulators when an issue is in the media. -bring strategy up to date, should be a refresher at every board meeting	ED	-Draft External Communications Strategy prepared by B. Wycks and reviewed with MAC on September 19, 2013. Highlights presentation shared with EOC on September 24, 2013. Executive Summary of Strategy document – reflecting MAC and EOC feedback -- prepared for Board review and approval on October 8, 2013
<u>Website</u> -collect testimonials, post on site	-Testimonial (written or video)- 1 per member , have 7 or 8 available and determine how to rotate through (value –add to members)	J Lewsen ED	-Email reminder sent w/o Oct 22, 2012; One written and two video testimonials received to date. B. Wycks to follow-up with direct request to each Voting Member, via EOC members

CAFII Priorities by Committee – October 3, 2013

Initiatives	Status/Explanation	Resp	Next steps
-Refresh CAFII mission statement	-review mission statement to ensure it is in line with branding,		-Removed from MAC Priorities, as Mission Statement is solely within Board purview and typically is reviewed as part of Strategic Plan renewal. J. Hines and B. Wycks to discuss with Chair M. Cummings
-expand tabs to include other products & regulators/industry	-incorporate alternate distribution (underserved market)	ED	-Underserved market material drafted, to be approved for website. In process with ED B. Wycks
	- Travel insurance product – ED to reach out to travel association and CLHIA; look at it from distribution perspective	ED	B. Wycks met with CLHIA Execs. on April 1 and June 3; had get acquainted discussion with John Thain, volunteer President of Travel Health Insurance Association, who works for Assurant Solutions, at CAFII 15 th Anniversary event. Will have a full meeting with Thain in Fall 2013.
-Develop CAFII “Did you know” video to convey important facts	-(Charles Blaquiere suggestion) Budget allocation request \$10,000	ED	-In process as part of CAFII Re-Branding and Visual Identity Modernization initiative
-what’s new	-In place, ongoing update of news	ED	-Ongoing
<u>CAFII Branding</u> -develop marketing tagline	several taglines to be sent to Board, -identify differentiating factor, eg advocating for insurance access , choice, all Canadians	J Lewsen	Completed
	- include tagline on all submissions, website, swag, and letters to regulators	ED	-In process; to be completed in conjunction with Re-Branding and Visual Identity Modernization initiative

CAFII Priorities by Committee – October 3, 2013

Initiatives	Status/Explanation	Resp	Next steps
-CAFII newsletter for regulators	-Insurance regulatory news to be collected monthly and shared with regulators as a value added service Budget Request re formatting?	ED	-Completed and ongoing.
-CAFII “look”	-Develop a font and layout unique to CAFII to be used in letters, submissions and newsletter; assess if new logo needed Budget allocation request \$10,000	ED	-In process as part of CAFII Re-Branding and Visual Identity Modernization
-Acquire soft marketing tools (pads, pens etc),	-Coasters suggested– include tagline and web address on next re-order -Budget allocation request		-Pens, mugs and i-phone holders are in stock
<u>Media Protocol</u> -Develop and manage protocol for handling media requests -media training for ED	-Protocol to be revised with arrival of ED -Budget allocation request \$2,000	ED	-Completed; revised Media Protocol approved by MAC on January 17/13 -Schedule training for Q4 2013. Expand to include Board members who are interested and available on the day booked for media training.
-Monitor Media		ED	Ongoing
-Develop List of Friendly media			Paul & Moira have completed list
-Notify communications departments of member firms	-To be done when messaging is reviewed		
-News Release	-Send out notification re new ED		-Notice sent to all CAFII members. Included in first issue of Regulators’ newsletter. Also to be sent directly to each regulator with a cover letter from M. Cummings
Develop 2-3 likely scenarios		ED	-B. Wycks reviewing material drafted by G. Grant.
Key Message Development - identify issues and develop key messages	-Key message document: develop and review stock messages to be used in communication opportunities	ED	-Key Messages reviewed and refined by B. Wycks as part of External Communications Strategy development
-Regulator Kit	For new regulators. Compile package of information for regulators which can include	ED	-Some content developed by RBC intern

CAFII Priorities by Committee – October 3, 2013

Initiatives	Status/Explanation	Resp	Next steps
-develop booklet /brochure -Key Facts sheet	-booklet - past submissions, -testimonials and -key fact sheet. Booklet - take images from website, testimonials, designed to highlight major issues. Small 10 page booklet that can be given out with business cards. -develop a “Key Facts” sheet to be part of regulator package	ED ED	-To be completed as part of External Communications Strategy implementation -To be completed as part of External Communications Strategy implementation
Manage research to support message (eg. Pollara) - develop key messages - manage plan of use of research - determine when and what research must be undertaken or renewed	-Pollara plan of use in place	MAC	-Research is a key component of External Communications Strategy. Plan of use to be reviewed by ED in light of Strategy, once approved
-Industry Statistics	-identify and keep current statistics from LIMRA and CAFII research	ED	-overlapping responsibility with DMC. Referred/delegated to DMC.
-Webinars Develop and offer webinar education Determine distribution of webinar material	-develop / oversee development of new webinars -review and keep webinars current -track who has seen which webinars -plan number of webinars per year, have list of upcoming webinars -deliver webinars Budget allocation request \$10,000	ED	-Digital commerce and social media webinar, developed by Davis Yoo and Debbie Dimoff of PwC, delivered to CCIR audience on May 30, 2013. -Topic and timing of next webinar for CCIR under consideration.

Media Response Taskforce

Membership: Taskforce consists of any two members of the Media and Advocacy Strategy committee plus Brendan Wycks.

Purpose: Deal with media issues as they arise. Make recommendation to Board communications committee (Members: Mark Cummings, Scotialife Financial; Dave Minor, TD; Rick Lancaster, CIBC; Julie Barker-Merz BMO)

CAFII Priorities by Committee – October 3, 2013

Networking and Events Committee

Membership: 1 Chair - 2 members , EOC chair is an ex-officio member

Chair: Paul Yeung RBC 2) Maria Sanchez –Chung TD 3) Ex-officio: Jennifer Hines Resources: Leya Duigu, Brendan Wycks

Mandate : Operate CAFII events and receptions to maintain contact with regulators, associate members and other key stakeholders.

Priority	Activities	Status
Plan Quarterly Speaker and reception events, and member-only event	-February Speaker Event (members only)	-Moved to March 26, 2013, with Jane Carr, Vice-President and Managing Attorney, Assurant Solutions, Atlanta, speaking on “Issues, Challenges and Opportunities in U.S. Debt and Other Protection Products.” -Completed and successful
	-April 10, 2013 CAFII 15 th Anniversary Event	-Completed and successful
	-June AGM/Regulator Reception Event	-Completed and successful. Doug McPhie, Ernst & Young’s Canadian Insurance Leader, was speaker on “2013 Canadian Life Insurance Outlook” for Regulator Reception event on June 11, 2013
	October Speaker Event	John Wilkinson, former Ontario MPP and Cabinet Minister in McGuinty Liberal government, booked as Speaker under “Chatham House Rule”
	December Reception	
Keep current lists of key contacts		
Christmas cards to key contacts?		
Seek out other opportunities to meet with contacts (eg. corporate table)		

DISCUSSION PAPER

Opportunities for Reforming the New Brunswick Licensing Framework for Other-than-Life Insurance Agents and Brokers

August 2013

Financial and Consumer
Services Commission

INSURANCE DIVISION

Background

The *Insurance Act* (“the *Act*”) requires all individuals carrying on the business of insurance as agents or brokers to be licenced. Part XV of the *Act* deals with the licensing of agents and brokers and other intermediaries. The *Agents and Brokers Regulation*, which establishes the terms, conditions and qualifications for other-than-life agents and brokers, was first introduced in February 1995 and since that time the *Regulation* has not been updated. A copy of the current *Act* and *Regulations* can be viewed at:

www2.gnb.ca/content/gnb/en/departments/attorney_general/acts_regulations.html

Introduction

The Insurance Division of the Financial and Consumer Services Commission will be developing and analyzing policy options to reform the current licensing scheme for other-than-life insurance agents and brokers. As a first step in this review, the Insurance Division has prepared this Discussion Paper to facilitate dialogue and consultation with stakeholders who wish to provide feedback on reforming the current licensing framework.

The main objective of this review is to ensure that the regulatory framework reflects the current insurance marketplace while providing robust protection for consumers.

Submissions

Submissions should be made electronically to information@fcnb.ca, no later than October 31, 2013.

Alternatively, written submissions may be sent by mail or fax to:

Insurance Division
Financial and Consumer Services Commission
P. O. Box 6000
Kings Place
637 - 440 King Street
Fredericton, NB E3B 5H8

Fax: (506) 453-7435

Please note that we cannot keep submissions confidential. Any comments received during the comment period will be made public.

Issue 1 - Levels and Types of Licences

The licensing provisions of the *Insurance Act* related to other-than-life intermediaries distinguish between residents and non-residents, and agents and brokers. Likewise, the *Agents and Brokers Regulation* establishes two levels of other-than-life agent licences (class I and class II) and four levels of other-than-life broker licences (class I, II, III, and IV).

The discrepancies in the *Insurance Act* between non-residents and resident agents and brokers reflect a time when most individuals dealing with insurance clients were resident in the Province with a few non-residents doing infrequent business in the Province. Today's marketplace is significantly different. The Insurance Division believes that this distinction between non-residents and residents should be eliminated so that non-residents meet the same standards and operate within the same regime as resident agents and brokers. However, consideration must also be given to the Agreement on Internal Trade related to labour mobility which has recently incorporated individuals working within financial sectors.

In the current marketplace, there are some agents who sell for more than just a specific insurance company and some brokers who have very restricted markets. This can create confusion for consumers. It also raises questions as to why they are treated differently and not on a level playing field. Most jurisdictions have eliminated the distinction between agent and broker and only issue agent licences. The Insurance Division believes that it is time for New Brunswick to follow suit.

The Insurance Division believes that roles and responsibilities for a particular level of licence should be spelled out in the Regulation and that they should be consistent for all individuals whether they are agents or brokers and regardless of the size of their particular organization. Further, the role and responsibilities of a particular level of licence should relate to the educational requirements for that licence.

Discussion Questions

- 1.1 Should the *Insurance Act* and Regulations be amended to eliminate the distinction between resident and non-resident other-than-life intermediaries?
- 1.2 Should the *Insurance Act* and Regulations be amended to eliminate the distinction between agent and broker licences and move to a common licence for all other-than-life insurance intermediaries?
- 1.3 What levels of licences should there be, and what should be the corresponding role and responsibilities for each level?
- 1.4 Which activities by staff of a brokerage or an agency should not require the individual to hold a licence?

- 1.5 Should a licence holder be obliged to move to the next level of licence?
- 1.6 If a licence holder were obliged to move to the next level of licence, what should the time limit be for moving to the next level of licence?
- 1.7 Are there any other matters for consideration on this issue?

Issue 2 - Educational and Experience Requirements

Ensuring that insurance intermediaries have appropriate education is a key component of consumer protection. The educational requirements contained in the *Agents and Brokers Regulation* have not been updated in some time. As stated above, the Insurance Division believes that the roles and responsibilities attached to each level of licence should reflect the educational requirements of that level of licence. The Insurance Division believes that further information is required in order to determine what course requirements are appropriate for each different level of licence.

Given that there are variations in educational requirements across the country, the licensing regime should permit the recognition of equivalent educational standards from other jurisdictions.

While education is critical in the proper development of insurance intermediaries, practical experience gained through supervised on-the-job training ensures that intermediaries are properly trained. For new licence holders, direct supervision is necessary to ensure consumer protection and appropriate development. Some licensing regimes include probationary periods where a new licence holder's activities are restricted until they reach a minimum level of experience. Upon reaching the minimum level of experience, individuals would be free to work more independently and with fewer restrictions, if any, on their licences; although they are still subject to overall supervision by a managing licence holder.

Discussion Questions

- 2.1 Referring back to question 1.3, what should the corresponding educational requirements be for each level of licence?
- 2.2 Should there be a probationary period, for individuals entering the profession? If so, what should the probationary period be?
- 2.3 If there is a probationary licence, what restrictions should be placed on a probationary licence?
- 2.4 Should there be further educational requirements for an individual to move from a probationary licence?
- 2.5 Referring back to question 1.3, should there be minimal experience requirements to move to the different levels of licence? If so, what should those minimum requirements be?
- 2.6 Should there be a requirement for licence holders to complete mandatory continuing education?

2.7 Are there any other matters for consideration on this issue?

Issue 3 - Supervision

Under the *Agents and Brokers Regulation*, a licensee with an other-than-life agent licence class I must be under the supervision of his or her employer. Similarly, a licensee with an other-than-life broker licence class I must be under the supervision of his or her employer. A licensee with an other-than-life broker licence class II must be under the supervision of a holder of a broker licence class III or IV.

Going forward, the nature of supervision will depend greatly on the levels and types of licences that are in a new licensing regime. However, generally speaking the Insurance Division believes that the following are necessary key elements:

- a managing licence holder who is responsible to provide an effective level of oversight and active supervision of all insurance activities within an operation;
- on-sight supervision of branch offices by a senior licence holder;
- direct supervision of new entrants by a senior licence holder.

Discussion Questions

- 3.1 What level of licence(s) should be subject to direct supervision under the *Regulation*?
- 3.2 What should be the nature of supervision for each corresponding level of licence?
- 3.3 What requirements should an individual meet to be a supervisor?
- 3.4 What obligations would the supervisor have, how long would the supervision last and how many licensees should an individual be able to supervise at one time?
- 3.5 Are there any other matters for consideration on this issue?

Issue 4 - Licence Renewals

Pursuant to the *Insurance Act*, the Superintendent of Insurance must determine whether an individual is eligible to have his or her licence renewed. Where issues arise with respect to an individual's eligibility, the Superintendent may require an investigation to be completed in order to assist in making a determination. Therefore, requiring a regular renewal allows for the confirmation of an individual's eligibility by sponsors and the Office of the Superintendent.

The *Licence and Examination Fees for Agents and Brokers Regulation* establishes renewal periods for agents and brokers. In 2009, New Brunswick moved to two year licences for most licence holders to lessen the regulatory burden. As well, we staggered our renewal dates to increase the effectiveness of the application review process. These changes attempt to balance efficiency with regular monitoring to ensure consumer protection.

The Insurance Division believes that these changes have improved the licence renewal process. That said, we are seeking feedback on other initiatives that could increase the efficiency of the renewal process while still ensuring a regular review of licence holders.

The *Insurance Act* requires that applications be sworn. New Brunswick is the only jurisdiction that still has this requirement. While this adds some assurances as to the veracity of the information provided, it also adds to the administrative burden for the applicant. It is also a barrier to moving to an online licensing system. The Insurance Division believes that this requirement should be eliminated in favour of a certification as to the truthfulness of the information provided.

There are times when issues going to eligibility are only disclosed when a renewal application is filed. The issues can require an investigation and, in some cases, a hearing. This can lead to delays in the licence being renewed and can result in individuals being unable to carry on business pending the investigation or a hearing. The Insurance Division believes that there should be authority to issue a temporary licence in situations where there is not a significant risk to consumers.

Discussion Questions

- 4.1. What improvements could be made to increase the efficiency of the renewal process while ensuring a regular review of licence holders?
- 4.2. Should there be a filing date for licence renewal applications which predates the expiry date with a late filing fee?
- 4.3. Should the Act authorize, in appropriate cases, the issuance of temporary licences pending an investigation or hearing respecting eligibility?

4.4. Are there any other matters for consideration on this issue?

Issue 5 - Compliance and Enforcement Matters

The Insurance Division believes that there are some minor changes needed related to enforcement and compliance under the Act and Regulations. The intent is to ensure that the process is more effective and efficient.

There are many incidents where the Insurance Division must investigate general business practices of insurance intermediaries and deal with unlicensed individuals engaged in the business of insurance. Further, as financial regulators adopt risk based approaches to compliance, greater reliance is placed on the gathering of information through questionnaires and surveys of market participants and similar methods. Therefore, the Division believes that the Act should be amended to clarify the Superintendent's power to obtain information relating to any contract of insurance, relating to any settlement or adjustment, or respecting any activities related to the business of insurance.

Section 352 of the *Insurance Act* allows for the revocation or suspension of a licence on particular enumerated grounds. The Insurance Division would like to know if the enumerated grounds are appropriate or should they be amended. Further, should other regulatory sanctions be available. The Division believes that the Act should permit interim suspensions of a licence or the imposition of restrictions pending an investigation and/or hearing where there is a significant risk to the public.

Individuals should not be permitted to avoid enforcement action simply by surrendering their licence. If the matter is not dealt with, the individual may seek a licence at a later time when it may be more difficult to deal with or he or she may seek a licence in another jurisdiction. Therefore, the Insurance Division believes that the Act should be amended to clarify the Superintendent's jurisdiction to deal with individuals who are no longer licensed.

The Insurance Division believes that the Act should be amended to authorize the publication of decisions by the Superintendent to grant or refuse a licence or to revoke or suspend a licence. The publication of decisions will make the licensing process more transparent for licence holders and consumers. Further, publication of decisions will help educate other licensed individuals on the appropriate conduct in carrying on the business of insurance. Finally, publication would allow insurance regulators in other jurisdictions to be informed of determinations with respect to individuals who may be or may wish to be licensed in their jurisdictions.

Discussion Questions

The Insurance Division does not have any specific questions with respect to this section. However, we welcome any feedback on the proposals set out above.

Issue 6 - Trust Accounts

Section 364 of the New Brunswick *Insurance Act* requires all life and other-than-life agents and brokers to hold a trust account. Agents and brokers are required to pay any payment received from an insurer or an insured into the trust account immediately. Trust accounts offer consumer protection as well as protection for the insurer. Several jurisdictions require trust accounts. Licence holders are not permitted to co-mingle other funds in trust accounts and are not entitled to use the funds in the trust account for any purpose not authorized by section 364. Agents and broker are not permitted to withdraw money from a trust account, unless the withdrawal is for money paid to or on behalf of an insurer or an insured, the money is payment of commission, or the money paid into the trust account was done by mistake.

In the current insurance marketplace, there are a significant number of agents and brokers who do not receive payments from clients or insurers, as many payments are made directly to the insurer or the insured. There are also agents who work directly for an insurer and can deposit any payments directly into the insurer's account. In light of these facts, the Insurance Division is considering an amendment to the *Act* so that the trust account requirements apply only to agents and brokers who receive trust funds. Also, the Insurance Division is considering requiring annual trust reconciliation statements.

Discussion Questions

- 6.1 Should the *Act* be amended so that agents and brokers who do not receive any payments from clients or insurers are not required to maintain a trust account?
- 6.2 Should the *Act* be amended so that employees of an insurer who deposit payments directly into an insurer's account and whose access to the account is limited to making deposits are not required to maintain a trust account?
- 6.3 Should the *Act* be amended to include other instances where an agent/broker can withdraw money from a trust account? If yes, which specific withdrawals should be allowed and why?
- 6.4 Should licence holders be required to file an annual reconciliation?
- 6.5 Are there any other matters for consideration on this issue?

Issue 7 - Errors and Omissions Insurance

A licence holder can be exposed to liability to an insured or an insurer. Therefore, professional liability insurance is a key element of consumer protection. It can also protect the licence holder by covering potential losses and defraying costs of defending an action. Most jurisdictions require that licence holders carry errors and omissions insurance and many also require fidelity insurance against losses arising from dishonesty of employees, a proprietor or partners, directors and officers. Some jurisdictions require that the policy include an extended reporting period.

The Insurance Division is considering introducing a requirement for licence holders to carry errors and omissions insurance issued by an insurer licenced in New Brunswick and a further requirement to hold fidelity insurance issued by a licensed insurer. Proof of insurance would be a prerequisite to the issuance or renewal of a licence. Further, a licence holder's licence would be automatically suspended on the effective termination or non-renewal date of the insurance policies. The policy would require the insurer to notify the Office of the Superintendent when the policy is terminated or not renewed.

The minimum errors and omissions coverage in the other jurisdictions is either \$500,000 or \$1,000,000 for any one occurrence with an aggregate amount of \$2,000,000 or \$5,000,000. The minimum coverage for fidelity insurance for those jurisdictions where it is required is \$100,000.

Discussion Questions

- 7.1 Should the *Insurance Act* and Regulations be amended to require that every general insurance licensee or agency that holds a general insurance licence have errors and omissions insurance?
- 7.2 What should be the elements of the insurance coverage?
- 7.3 Should the coverage include an extended reporting period and, if so, what should that period be?
- 7.4 What is the appropriate amount of coverage for errors and omissions coverage?
- 7.5 What is the appropriate amount of coverage for fidelity insurance coverage?
- 7.6 Are there any other matters for consideration on this issue?

Issue 8 - Duty to Report

Issues of consumer protection can arise where a licence holder is subject to disciplinary action by another regulatory entity, has been charged or convicted of an offence or has had a civil judgment against him or her. Currently, there is no obligation for the licence holder to report these matters to the Office of the Superintendent until the individual applies to renew his or her licence. This has the potential to cause consumer harm and may require immediate action by the Office. Further, where matters are only disclosed upon a renewal application, this can delay the renewal of an individual's licence as the Insurance Division obtains information and reviews the matter. The delay can be even greater where a hearing is required. The *Adjusters Regulation* requires adjusters to report these types of issues to the Insurance Division within 10 business days.

We believe establishing a similar mandatory self reporting requirement in the *Agents and Brokers Regulation* would enhance consumer protection and resolve the challenges outlined above. The requirement would be that all licence holders notify our Office within 10 days of any disciplinary investigations or decisions, civil judgements involving fraud, breach of trust, or criminal charges and convictions.

Further, licence holders should be required to report the following information to the Insurance Division within 10 days:

- Change in name;
- Change in contact information;
- Change in employer.

Some of these changes would require a new application and the issuance of a new licence.

Discussion Questions

- 8.1 Should the *Regulation* be amended to require a mandatory self reporting requirement for agents and brokers?
- 8.2 If the *Regulation* was amended to include mandatory self reporting, what types of incidents should agents and brokers be required to report?
- 8.3 How much time should an insurance intermediary have to report an issue?
- 8.4 Which type of these issues should require a new application?
- 8.5 Are there any other matters for consideration on this issue?

Issue 9 - Lapse in Licence / Reinstatement

Where an agent or a broker ceases to hold his or her licence for a period of time, issues of eligibility to obtain a new licence may arise. Neither the *Insurance Act* nor the Regulations contain any provisions related to the reinstatement of a licence. The *Life Insurance Agent Licensing Regulation* provides that a life insurance agent who ceases to hold his or her licence for two years is required to retake the Life Licensing Qualification Program examination. Likewise, the *Adjusters Regulation* includes provisions for the reinstatement of a licence.

To ensure consumer protection, the Insurance Division believes that agents or brokers who have not been licenced for an extended period of time should be required to requalify by taking courses and to be under direct supervision. Further, where appropriate, some individuals who have not been licenced for a lesser period could have conditions imposed on their licences.

Discussion Questions

- 9.1 What is an appropriate period for requiring an individual who has had a lapse in their licence to requalify?
- 9.2 What should the requalification requirements be for the various licence levels? Should they vary based on the individual's length of absence? If yes, how should they vary?
- 9.3 What information should be provided by someone who is seeking reinstatement?
- 9.4 Are there any other matters for consideration on this issue?

Issue 10 - Partnership or Corporate Licence

The *Insurance Act* permits (but does not require) the issuance of agents or brokers licences to a partnership or corporation that is incorporated expressly for the purpose of acting as an insurance agent, broker, adjuster or damage appraiser. However, regulations have never been created to put these provisions into effect. The Insurance Division is considering regulatory amendments to allow for the licensing of partnerships or corporations subject to the provisions in the Act. Individuals would still be required to obtain individual licences.

Discussion Questions

- 10.1 Should other-than-life insurance agencies or brokerages be required to obtain a partnership or corporate licence? Please elaborate on why?
- 10.2 What should be the requirements on an agency or brokerage applying for a partnership or corporate licence?
- 10.3 What parameters should be on a corporate or partnership licence?
- 10.4 Should each agency or brokerage require a designated representative?
- 10.5 Should each branch of an agency or brokerage require a separate licence?
- 10.6 Are there any other matters for consideration on this issue?

Issue 11 - Other Issues

The Insurance Division welcomes any comments on any other matters that are not covered in this paper.

CAFII Board Meeting, Speaker Presentation & Reception

Tuesday, October 8, 2013

Topic: Maneuvering and Moving Forward in an Ontario Minority Government

Speaker:



John Wilkinson

President & CEO, Wilkinson Insight Incorporated

John Wilkinson was first elected to the Ontario Legislature in 2003 as the MPP for Perth-Middlesex. In 2007 he was re-elected as the MPP for Perth-Wellington. During his first term he served as; Vice Chair of the Standing Committee on Finance & Economic Affairs, Vice Chair of the Municipal Property Assessment Corporation, Parliamentary Assistant to the Minister of the Environment and then as Parliamentary Assistant to Premier Dalton McGuinty in his role as Minister of Research & Innovation. During his second term John

was called to Cabinet and served as Minister of Research & Innovation, then as Minister of Revenue and finally as Minister of the Environment.

John continues to be in the news. He recently served as Campaign Co-Chair for Kathleen Wynne's successful bid to become Ontario Liberal Party Leader and the province's 25th Premier. He currently serves alongside two other former Cabinet Ministers, John Snobelen & Elmer Buchanan, on the tri-partisan Expert Panel hired by the Ontario Ministry of Agriculture & Food to facilitate a new relationship between the horse racing industry and the government of Ontario.

John and his wife live in Stratford where he founded Wilkinson & Keller Financial Planning Limited. He was the first Certified Financial Planner elected to the Ontario Legislature. Presently, John is the owner of Wilkinson Insight Incorporated which offers his unique insight on a wide range of topics through public speaking engagements, post secondary lectures and to select clients.

Date & Time: Tuesday, October 8, 2013 at 4:30 p.m.

Location: St. Andrew's Club & Conference Centre
Sun Life Financial Tower
150 King St. West (corner of University Ave.), 27th Floor
Toronto

Event Format: 2:00 – 4:20 p.m.	CAFII Board Meeting [16 th Floor, Garden Two Room]
4:30 p.m.	Welcome and Introduction of Guest Speaker [27 th Floor, Inverness Room]
4:35 - 5:05 p.m.	Speaker Presentation
5:05 – 5:20 p.m.	Q&A Session
5:20 – 5:30 p.m.	Break for Speaker Presentation Attendees
5:30 – 7:30 p.m.	Networking Reception [27 th Floor, Inverness Room]

Audience: *For Presentation:* 50 to 60 representatives from CAFII member companies

For Reception: Attendees from Presentation plus approximately 20 additional guests from the insurance regulatory community (Financial Services Commission of Ontario; Ontario Ministry of Finance; Office of the Superintendent of Financial Institutions; Financial Consumer Agency of Canada, etc.)

Ground Rules: The Chatham House Rule will apply. Specifically, attendees will be free to use the views communicated and/or discussed during your presentation, but all will agree not to attribute those views to any individual or organization

Fee: This will be a *pro bono* speaking engagement. As a sign of good will CAFII will present the speaker with a cheque donation in the amount of \$500 to Performing Arts Lodge Stratford.